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CHAPTER 7.

HOSPITALS, TUBERCULOSIS CAMPS AND HEALTH SERVICES DISTRICTS

ARTICLE 1.

GENERAL PROVISIONS

**SECTION 44‑7‑10.** Public hospitals may maintain eye banks.

Any State, county, district or other public hospital may purchase and provide the necessary facilities and equipment to establish and maintain an eye bank for restoration‑of‑sight purposes.

**SECTION 44‑7‑20.** Disturbing patients with radios or musical instruments.

It shall be unlawful for any person to operate any radio or other musical instrument in such a manner that it annoys or disturbs any patient confined to a hospital or sanitarium. Any person violating the provisions of this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine of not more than one hundred dollars or imprisonment of not more than thirty days.

**SECTION 44‑7‑30.** Defrauding hospitals.

Any person who shall:

(1) At any hospital order and receive or cause to be furnished any food or accommodation based upon contract with intent to defraud the owner or proprietor of such hospital out of the value or price of such food or accommodation contract;

(2) Obtain credit at any hospital by the use of any false pretense or device or by fraudulently depositing at such hospital any baggage or property of less value than the amount of such credit or of the bill by such person incurred, unless credit be given by express agreement; or

(3) After obtaining creditor accommodation based upon contract at any hospital, surreptitiously remove his baggage or property therefrom;

Shall be guilty of a misdemeanor. Proof (a) that lodging, food or other accommodation based upon contract was obtained by false pretense or by false or fictitious show or pretense of baggage, (b) that a person absconded without paying or offering to pay for such food, lodging or other accommodation based upon contract or (c) that a person surreptitiously removed or attempted to remove his baggage shall be prima facie proof of the fraudulent intent mentioned in this section. Any person convicted of violating the provisions of this section shall pay a fine of not more than fifty dollars or be imprisoned for not more than thirty days, in the discretion of the magistrate.

The provisions of this section shall not include the fees of physicians and surgeons.

**SECTION 44‑7‑40.** Conveyance to Federal Government of lands for veterans’ hospital.

The governing body of any county in this State in which the United States Government decides to locate or build a hospital for veterans may, by resolution passed by a majority vote of such body, convey to the United States Government in fee simple, free of all encumbrances, any lands now owned or hereafter acquired by it for the use and benefit of such veterans’ hospital, such conveyance to be without consideration and as a gift to the United States Government. Such deed of conveyance if made under the provisions of this section shall be signed by such officer or officers of the county as the resolution duly passed by such governing body may prescribe or provide. A certified copy of such resolution shall be recorded with the deed of conveyance so made.

**SECTION 44‑7‑50.** Modification of doctrines of charitable and sovereign immunity as they relate to hospitals and other medical facilities.

The doctrines of charitable and sovereign immunity as they relate to hospitals and other medical facilities in this State are hereby modified to the extent that any person sustaining an injury or dying by reason of the tortious act of commission or omission of agents, servants, employees or officers of a charitable hospital or medical facility or of a hospital or other medical facility operated or funded by the State, its agencies, departments, institutions, commissions, boards or political subdivisions may recover in any action brought against such hospital or other medical facility for such actual damages as he may sustain a sum not exceeding one hundred thousand dollars. Except as to licensed physicians and dentists, the judgment in an action under this section shall constitute a complete bar to any action by the claimant, by reason of the same subject matter, against the employee of the charitable or governmental entity whose act or omission gave rise to the claim; and a plaintiff, when bringing an action under the provisions of this section, shall only name as a party defendant the entity for which the employee was acting and shall not name the employee individually unless the entity for which the employee was acting cannot be determined at the time the action is instituted. In the event the employee is individually named under the conditions permitted above, the entity for which the employee was acting shall be substituted as the party defendant when it can be so reasonably determined. The provisions of this section shall in no way limit or modify the liability of a licensed physician or dentist.

**SECTION 44‑7‑60.** Borrowing money by nonprofit public hospitals.

Notwithstanding any other provision of law, the governing board of any nonprofit public hospital in this State with the approval of the governing body of the county wherein such hospital is located which has borrowed money may continue to borrow money in the name of the hospital for general hospital purposes. “Borrowing money” as used herein shall include the authority to make notes or other evidences of debt and to secure payment thereof by placing a mortgage on any or all of its property, both real and personal.

**SECTION 44‑7‑70.** Report to State Board of Medical Examiners concerning action resulting in limitation upon physician’s privilege to practice in health care facility.

(A) The medical staff chief or medical director of a health care facility, as defined in Section 44‑7‑130, shall report in writing to the State Board of Medical Examiners the results of and the circumstances concerning an action resulting in the revocation or suspension of or other limitation upon, a physician’s privileges to practice in that health care facility. This report is not required in the case of:

(1) a nondisciplinary resignation by the physician; however, a resignation occurring after an incident or occurrence which could result in the revocation or suspension of or other limitation upon the physician’s privileges must be reported;

(2) a minor disciplinary action regarding the physician’s privileges in that health care facility when the action taken does not involve the revocation or suspension of or other limitation upon the physician’s privileges to practice there;

(3) a disciplinary action resulting from the physician’s failure to meet recordkeeping standards;

(4) a disciplinary action resulting from the physician’s failure to attend meetings; or

(5) other disciplinary actions as defined by regulation promulgated by the State Board of Medical Examiners.

(B) The medical staff chief or medical director of a health care facility, as defined in Section 44‑7‑130, shall report in writing to the State Board of Medical Examiners and to the Board of Podiatry Examiners the results of and the circumstances concerning an action resulting in the revocation or suspension of or other limitation upon, a podiatrist’s privileges to practice in that health care facility. This report is not required in the case of:

(1) a nondisciplinary resignation by the podiatrist; however, a resignation occurring after an incident or occurrence which could result in the revocation or suspension of or other limitation upon the podiatrist’s privileges must be reported;

(2) a minor disciplinary action regarding the podiatrist’s privileges in that health care facility when the action taken does not involve the revocation or suspension of or other limitation upon the podiatrist’s privileges to practice there;

(3) a disciplinary action resulting from the podiatrist’s failure to meet recordkeeping standards;

(4) a disciplinary action resulting from the podiatrist’s failure to attend meetings; or

(5) other disciplinary actions as defined by regulation promulgated by the Board of Podiatry Examiners.

(C) A person making a report required by this section is immune from criminal and civil liability in making the report, if the report is made in good faith and without malice.

**SECTION 44‑7‑77.** Program to obtain voluntary acknowledgment of paternity of newborns.

The Department of Health and Environmental Control and the State Department of Social Services, in conjunction with the South Carolina Hospital Association, shall develop and implement a program to promote obtaining voluntary acknowledgments of paternity as soon after birth as possible and where possible before the release of the newborn from the hospital. A voluntary acknowledgment including those obtained through an in‑hospital program shall contain the requirements of Section 63‑17‑60(A)(4) and the social security number, or the alien identification number assigned to a resident alien who does not have a social security number, of both parents, and must be signed by both parents. The signatures must be notarized. As part of its in‑hospital voluntary acknowledgment of paternity program, a birthing hospital as part of the birth registration process, shall collect, where ascertainable, information which is or may be necessary for the establishment of the paternity of the child and for the establishment of child support. The information to be collected on the father or on the putative father if paternity has not been established includes, but is not limited to, the name of the father, his date of birth, home address, social security number, or the alien identification number assigned to a resident alien who does not have a social security number, and employer’s name, and additionally for the putative father, the names and addresses of the putative father’s parents.

**SECTION 44‑7‑78.** Authority to establish facilities, programs and services in other locations.

Notwithstanding any other provision of law, an entity that operates a health care facility as defined in Section 44‑7‑130(10) may develop and operate facilities, programs, and services in any location where such facilities, programs, or services support the entity or provide services to residents in the area, provided all other statutory and regulatory requirements are met, including the State Certification of Need and Health Facility Licensure Act, Article 3, Chapter 7, Title 44 and related regulations promulgated by the department.

ARTICLE 2.

MEDICAID NURSING HOME PERMITS

**SECTION 44‑7‑80.** Definitions.

For the purposes of this article:

(1) “Nursing home” means a facility with an organized nursing staff to maintain and operate organized facilities and services to accommodate two or more unrelated persons over a period exceeding twenty‑four hours, which is operated either in connection with a hospital or as a freestanding facility for the express or implied purpose of providing intermediate or skilled nursing care for persons who are not in need of hospital care.

(2) “Medicaid nursing home permit” means a permit to serve Medicaid patients in an appropriately certified nursing home.

(3) “Medicaid patient” means a person who is eligible for Medicaid (Title XIX) sponsored long‑term care services.

(4) “Medicaid patient day” means a day of nursing home care for which a nursing home receives Medicaid reimbursement.

(5) “Department” means the Department of Health and Environmental Control.

**SECTION 44‑7‑82.** Permit requirement.

No nursing home may provide care to Medicaid patients without first obtaining a permit in the manner provided in this article.

**SECTION 44‑7‑84.** Determination and allocation of Medicaid nursing home patient days; application for permit; rules and regulations.

(A) In the annual appropriations act, the General Assembly shall establish the maximum number of Medicaid patient days for which the department is authorized to issue Medicaid nursing home permits. The State Department of Health and Human Services shall provide the number of Medicaid patient days available to the department within thirty days after the effective date of the annual appropriations act.

(B) Based on a method the department develops for determining the need for nursing home care for Medicaid patients in each area of the State, the department shall determine the distribution of Medicaid patient days for which Medicaid nursing home permits can be issued. Nursing homes holding a Medicaid nursing home permit must be allocated Medicaid days based on their current allocation and available funds. Requests for days must be submitted to the department no later than June fifteenth each year. The application must state the specific number of Medicaid patient days the nursing home will provide. If a nursing home requests fewer days than the previous year, those days first must be offered to the facilities within the same county currently holding a Medicaid nursing home permit. However, if Medicaid patient days remain available after being offered to those nursing homes currently holding a Medicaid patient days permit in that county, then existing nursing homes with a restricted Certificate of Need, within the same county, may apply for a Medicaid nursing home permit to receive the Medicaid patient days remaining available. Following the initial allocation of Medicaid patient days, any additional Medicaid patient days available must be credited to a statewide pool and must be available based on the percent of need indicated by the Community Long Term Care waiting list. If a nursing home has provided fewer Medicaid patient days than allowable under the Medicaid nursing home permit program, the department may issue a Medicaid nursing home permit for fewer days than requested in order to ensure that the nursing home will serve the minimum number of Medicaid patients. If a nursing home has its Medicaid patient days reduced, the freed days first must be offered to other facilities in the same county before being offered to other nursing homes in the State. In addition, a nursing home that fails to provide at least ten percent fewer days than the number stated in its permit is not eligible to receive additional Medicaid patient days the next year. The department shall analyze the performance of nursing homes that are under the permit minimum for a fiscal year, including utilization data from the State Department of Health and Human Services, anticipated back days, delayed payments, CLTC waiting list, and other factors considered significant by the department. Based on this analysis, if the department determines that the nursing home remains out of compliance, the nursing home must be fined by the same percentages as provided for in Section 44‑7‑90 and is subject to having its Medicaid patient days reduced. A nursing home which terminates its Medicaid contract must not be penalized for not meeting the requirements of this section if the nursing home was in compliance with its permit at the time of the cancellation. However, if the maximum number of Medicaid patient days authorized by the General Assembly is decreased, the nursing home may be required to absorb a proportionate decrease in its Medicaid patient days’ allocation.

**SECTION 44‑7‑88.** Involuntary discharge or transfer of Medicaid nursing home patients prohibited; request for waiver of permit requirements.

Nursing home patients may not be involuntarily discharged or transferred due to their Medicaid status. If no Medicaid patients are waiting for admission to the nursing home, or if for some other reason a nursing home anticipates the possibility that the home cannot satisfy the Medicaid nursing home permit requirements, the home may request a waiver of the permit requirements from the department.

**SECTION 44‑7‑90.** Violations of Sections 44‑7‑80 through 44‑7‑90; penalties.

(A) Based on reports from the State Department of Health and Human Services, the department shall determine each nursing home’s compliance with its Medicaid nursing home permit. Violations of this article include:

(1) a nursing home exceeding by more than ten percent the number of Medicaid patient days stated in its permit;

(2) a nursing home failing to provide at least ten percent fewer days than the number stated in its permit;

(3) the provisions of any Medicaid patient days by a home without a Medicaid nursing home permit.

(B) Each Medicaid patient day above or below the allowable range is considered a separate violation. Fines for nursing homes out of compliance with their Medicaid Nursing Home Permit for years before July 1, 1995 are waived. After June 30, 1995, a nursing home that exceeds by more than ten percent the number of Medicaid patient days stated in its permit must be fined based on the number of Medicaid patient days exceeding the permit days times their daily Medicaid per diem times thirty percent. A nursing home that fails to provide at least ten percent fewer days than the number stated in its permit must be fined based on the number of Medicaid patient days under the permit days times their daily Medicaid per diem times thirty percent. A fine assessed against a nursing home must be deducted from the nursing home’s Medicaid reimbursement. Appeals from this action must comply with the appropriate provisions of Chapter 23 of Title 1.

ARTICLE 3.

STATE CERTIFICATION OF NEED AND HEALTH FACILITY LICENSURE ACT

**SECTION 44‑7‑110.** Short title.

This article may be cited as the “State Certification of Need and Health Facility Licensure Act”.

**SECTION 44‑7‑120.** Declaration of purpose.

The purpose of this article is to promote cost containment, prevent unnecessary duplication of health care facilities and services, guide the establishment of health facilities and services which will best serve public needs, and ensure that high quality services are provided in health facilities in this State. To achieve these purposes, this article requires:

(1) the issuance of a Certificate of Need before undertaking a project prescribed by this article;

(2) adoption of procedures and criteria for submittal of an application and appropriate review before issuance of a Certificate of Need;

(3) preparation and publication of a State Health Plan;

(4) the licensure of facilities rendering medical, nursing, and other health care.

**SECTION 44‑7‑130.** Definitions.

As used in this article:

(1) “Affected person” means the applicant, a person residing within the geographic area served or to be served by the applicant, persons located in the health service area in which the project is to be located and who provide similar services to the proposed project, persons who before receipt by the department of the proposal being reviewed have formally indicated an intention to provide similar services in the future, persons who pay for health services in the health service area in which the project is to be located and who have notified the department of their interest in Certificate of Need applications, the State Consumer Advocate, and the State Ombudsman. Persons from another state who would otherwise be considered “affected persons” are not included unless that state provides for similar involvement of persons from South Carolina in its certificate of need process.

(2) “Ambulatory surgical facility” means a facility organized and administered for the purpose of performing surgical procedures for which patients are scheduled to arrive, receive surgery, and be discharged on the same day. The owner or operator makes the facility available to other providers who comprise an organized professional staff.

(3) “Board” means the State Board of Health and Environmental Control.

(4) “Chiropractic inpatient facility” means a facility organized and administered to provide overnight care for patients requiring chiropractic services, including vertebral sublaxation, analysis, and adjustment.

(5) “Competing applicants” means two or more persons or health care facilities as defined in this article who apply for Certificates of Need to provide similar services or facilities in the same service area within a time frame as established by departmental regulations and whose applications, if approved, would exceed the need for services or facilities.

(6) “Community residential care facility” means a facility which offers room and board and provides a degree of personal assistance for two or more persons eighteen years old or older.

(7) “Day‑care facility for adults” means a facility for adults eighteen years or older which offers in a group setting a program of individual and group activities and therapies. The program is directed toward providing community‑based care for those in need of a supportive setting for less than twenty‑four hours a day, thereby preventing unnecessary institutionalization, and shall provide a minimum of four and a maximum of fourteen hours of operation a day.

(8) “Department” means the Department of Health and Environmental Control.

(9) “The federal act” means Title VI of the United States Public Health Service Act (the Hill‑Burton Construction Program); Title XVI of the United States Public Health Service Act (National Health Planning and Resources Development Act of 1974‑‑Public Law 93‑641); grants for all center and facility construction under Public Law 91‑211 (community mental health centers’ amendments to Title II, Public Law 88‑164, Community Mental Health Centers Act); grants for all facility construction under Public Law 91‑517 (developmental disabilities services and facilities construction amendments of 1970 to Part C, Title I, grants for construction of facilities for the mentally retarded‑‑Public Law 88‑164); and other federal programs as may exist or be enacted which provide for the construction of hospitals or related health facilities.

(10) “Health care facility” means acute care hospitals, psychiatric hospitals, alcohol and substance abuse hospitals, methadone treatment facilities, tuberculosis hospitals, nursing homes, ambulatory surgical facilities, hospice facilities, radiation therapy facilities, rehabilitation facilities, residential treatment facilities for children and adolescents, habilitation centers for mentally retarded persons or persons with related conditions, and any other facility for which Certificate of Need review is required by federal law.

(11) “Health service” means clinically related, diagnostic, treatment, or rehabilitative services and includes alcohol, drug abuse, and mental health services for which specific standards or criteria are prescribed in the State Health Plan.

(12) “Hospital” means a facility organized and administered to provide overnight medical or surgical care or nursing care of illness, injury, or infirmity and may provide obstetrical care, and in which all diagnoses, treatment, or care is administered by or under the direction of persons currently licensed to practice medicine, surgery, or osteopathy.

Hospital may include residential treatment facilities for children and adolescents in need of mental health treatment which are physically a part of a licensed psychiatric hospital. This definition does not include facilities which are licensed by the Department of Social Services.

(13) “Nursing home” means a facility with an organized nursing staff to maintain and operate organized facilities and services to accommodate two or more unrelated persons over a period exceeding twenty‑four hours which is operated either in connection with a hospital or as a freestanding facility for the express or implied purpose of providing intermediate or skilled nursing care for persons who are not in need of hospital care.

(14) “Facility for chemically dependent or addicted persons” means a facility organized to provide outpatient or residential services to chemically dependent or addicted persons and their families based on an individual treatment plan including diagnostic treatment, individual and group counseling, family therapy, vocational and educational development counseling, and referral services.

(15) “Person” means an individual, a trust or estate, a partnership, a corporation including an association, joint stock company, insurance company, and a health maintenance organization, a state, a political subdivision, or an instrumentality including a municipal corporation of a state, or any legal entity recognized by the State.

(16) “Residential treatment facility for children and adolescents” means a facility operated for the assessment, diagnosis, treatment, and care by two or more persons of ‘children and adolescents in need of mental health treatment’ which provides:

(a) a special education program with a minimum program defined by the South Carolina Department of Education;

(b) recreational facilities with an organized youth development program; and

(c) residential treatment for a child or adolescent in need of mental health treatment.

(17) “Solely for research” means a service, procedure, or equipment which has not been approved by the Food and Drug Administration (FDA) but which is currently undergoing review by the FDA as an investigational device. FDA research protocol and any applicable Investigational Device Exemption (IDE) policies and regulations must be followed by a facility proposing a project “solely for research”.

(18) “Children and adolescents in need of mental health treatment” in a residential treatment facility means a child or adolescent under age eighteen or a child or adolescent under age twenty‑one who is a client of, committed to the custody of, or in the legal custody of an agency of the State of South Carolina who manifests a substantial disorder of cognitive or emotional process, which lessens or impairs to a marked degree that child’s or adolescent’s capacity either to develop or to exercise age‑appropriate or age‑adequate behavior. The behavior includes, but is not limited to, marked disorders of mood or thought processes, severe difficulties with self‑control and judgment including behavior dangerous to self or others, and serious disturbances in the ability to care for and relate to others.

(19) “Intermediate care facility for the mentally retarded” means a facility that serves four or more mentally retarded persons or persons with related conditions and provides health or rehabilitative services on a regular basis to individuals whose mental and physical conditions require services including room, board, and active treatment for their mental retardation or related conditions.

(20) “Freestanding or mobile technology” means medical equipment owned or operated by a person other than a health care facility for which the total cost is in excess of that prescribed by regulation and for which specific standards or criteria are prescribed in the State Health Plan.

(21) “Like equipment with similar capabilities” means medical equipment which does not increase the potential volume or type of procedures possible.

(22) “Facilities wherein abortions are performed” means a facility, other than a hospital, in which any second trimester or five or more first trimester abortions are performed in a month.

(23) “Radiation therapy facility” means a person or a health care facility which provides or seeks to provide mega‑voltage therapeutic services to patients through the use of high energy radiation.

**SECTION 44‑7‑140.** Department as sole agency for control of program.

The department is designated the sole state agency for control and administration of the granting of Certificates of Need and licensure of health facilities and other activities necessary to be carried out under this article.

**SECTION 44‑7‑150.** Duties of department.

In carrying out the purposes of this article, the department shall:

(1) require reports and make inspections and investigations as considered necessary;

(2) to the extent that is necessary to effectuate the purposes of this article, enter into agreements with other departments, commissions, agencies, and institutions, public or private;

(3) adopt in accordance with Article I of the Administrative Procedures Act substantive and procedural regulations considered necessary by the department and approved by the board to carry out the department’s licensure and Certificate of Need duties under this article, including regulations to deal with competing applications;

(4) accept on behalf of the State and deposit with the State Treasurer, any grant, gift, or contribution made to assist in meeting the cost of carrying out the purpose of this article and expend it for that purpose;

(5) The department may adopt a filing fee for Certificate of Need applications. The fee must be approved by the board. Any fee collected pursuant to this section must be deposited into the general fund of the State. The fee must be collected prior to review of the application. A fee may not be increased beyond the cost of administration of the Certificate of Need Program.

**SECTION 44‑7‑160.** Certificate of Need required under certain circumstances.

A person or health care facility as defined in this article is required to obtain a Certificate of Need from the department before undertaking any of the following:

(1) the construction or other establishment of a new health care facility;

(2) a change in the existing bed complement of a health care facility through the addition of one or more beds or change in the classification of licensure of one or more beds;

(3) an expenditure by or on behalf of a health care facility in excess of an amount to be prescribed by regulation which, under generally acceptable accounting principles consistently applied, is considered a capital expenditure except those expenditures exempted in Section 44‑7‑170(B)(1). The cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the development, acquisition, improvement, expansion, or replacement of any plant or equipment must be included in determining if the expenditure exceeds the prescribed amount;

(4) a capital expenditure by or on behalf of a health care facility which is associated with the addition or substantial expansion of a health service for which specific standards or criteria are prescribed in the State Health Plan;

(5) the offering of a health service by or on behalf of a health care facility which has not been offered by the facility in the preceding twelve months and which has an annual operating cost in excess of an amount to be prescribed by regulation and for which specific standards or criteria are prescribed in the State Health Plan;

(6) the acquisition of medical equipment which is to be used for diagnosis or treatment if the total project cost is in excess of that prescribed by regulation;

(7) the acquisition or change in ownership or in controlling interest of a health care facility or entity owning a health care facility directly or indirectly by purchase, lease, gift, donation, sale of stock, or comparable arrangement if the acquisition or change in ownership or controlling interest may result in an increase in cost to the facility or increase in government‑sponsored reimbursement;

(8) the acquisition of an existing health care facility by a person who has failed to notify the department and seeks an exemption before entering into a contractual arrangement to acquire an existing facility;

(9) an expenditure or financial obligation made in preparation for the offering or developing of a project which requires certification of need pursuant to this section if the expenditure or financial obligation is in excess of an amount to be prescribed by regulation.

**SECTION 44‑7‑170.** Institutions and transactions exempt from article.

(A) The provisions of this article do not apply to:

(1) health care facilities owned and operated by the federal government;

(2) the offices of a licensed private practitioner whether for individual or group practice except as provided for in Section 44‑7‑160(1) and (6);

(3) the acquisition by a health care facility of medical equipment to be used solely for research, the offering of an institutional health service by a health care facility solely for research, or the obligation of a capital expenditure by a health care facility to be made solely for research if it does not (a) affect the charges of the facility for the provision of medical or other patient care services other than the services which are included in the research; (b) change the bed capacity of the facility; or (c) substantially change the medical or other patient care services of the facility. A written description of the proposed research project must be submitted to the department in order for the department to determine if the above conditions are met. A Certificate of Need is required in order to continue use of the equipment or service after research restrictions are removed;

(4) purchases of or agreements to purchase real estate; however, the costs associated with the purchase of real estate must be included in determining the total project cost at the time the real estate is proposed to be developed.

(B) The Certificate of Need provisions of this article do not apply to:

(1) an expenditure by or on behalf of a health care facility for nonmedical projects for services such as refinancing existing debt, parking garages, laundries, roof replacements, computer systems, telephone systems, heating and air conditioning systems, upgrading facilities which do not involve additional square feet or additional health services, replacement of like equipment with similar capabilities, or similar projects as described in regulations;

(2) facilities owned and operated by the State Department of Mental Health and the South Carolina Department of Mental Retardation, except an addition of one or more beds to the total number of beds of the departments’ health care facilities existing on July 1, 1988;

(3) educational and penal institutions maintaining infirmaries for the exclusive use of student bodies and inmate populations;

(4) any federal health care facility sponsored and operated by this State;

(5) community‑based housing designed to promote independent living for persons with mental or physical disabilities. This does not include a facility defined in this article as a “health care facility”.

(6) kidney disease treatment centers including, but not limited to, free standing hemodialysis centers and renal dialysis centers.

**SECTION 44‑7‑180.** Health planning committee; appointment, composition, terms, and allowances; State Health Plan; fees to cover costs of certificate of need program.

(A) There is created a health planning committee comprised of fourteen members. The Governor shall appoint twelve members, at least one member from each congressional district. Each of the following groups must be equally represented among the Governor’s appointees: health care consumers, health care financiers to include business and insurance, and health care providers. The chairman of the board shall appoint one member. The South Carolina Consumer Advocate or the Consumer Advocate’s designee is an ex officio nonvoting member. Members are appointed for four‑year terms, may serve only two consecutive terms, and are allowed the usual mileage and subsistence as provided for members of boards, committees, and commissions.

(B) With the advice of the health planning committee, the department shall prepare a State Health Plan for use in the administration of the Certificate of Need Program provided in this article. The plan at a minimum must include:

(1) an inventory of existing health care facilities, beds, specified health services, and equipment;

(2) projections of need for additional health care facilities, beds, health services, and equipment;

(3) standards for distribution of health care facilities, beds, specified health services, and equipment including scope of services to be provided, utilization, and occupancy rates, travel time, regionalization, other factors relating to proper placement of services, and proper planning of health care facilities; and

(4) a general statement as to the project review criteria considered most important in evaluating certificate of need applications for each type of facility, service, and equipment, including a finding as to whether the benefits of improved accessibility to each such type of facility, service, and equipment may outweigh the adverse affects caused by the duplication of any existing facility, service, or equipment.

The State Health Plan must address and include projections and standards for specified health services and equipment which have a potential to substantially impact health care cost and accessibility. Nothing in this provision shall be construed as requiring the department to approve any project which is inconsistent with the State Health Plan.

(C) Upon approval by the health planning committee, the State Health Plan must be submitted at least once every two years to the board for final revision and adoption. Once adopted by the board, the plan may later be revised through the same planning and approval process. The department shall adopt by regulation a procedure to allow public review and comment, including regional public hearings, before adoption or revision of the plan.

(D) The Department of Health and Environmental Control may charge and collect fees to cover the cost of operating the Certificate of Need program. Upon submission of a complete Certificate of Need application, the applicant must pay a fee of five hundred dollars plus five‑tenths of one percent of the project cost for review of the project, not to exceed seven thousand, five hundred dollars; however, for an applicant whose review fee would exceed seven thousand, five hundred dollars an additional fee of seven thousand, five hundred dollars is imposed if the applicant is awarded a Certificate of Need, which must be paid at the time of the award. Fees paid pursuant to this subsection must be deposited to the credit of the general fund of the State.

**SECTION 44‑7‑185.** Establishment of a task force; conducting a study regarding open‑heart surgery and therapeutic cardiac catheterization.

A. There is established a task force under the Health Care Planning and Oversight Committee which shall conduct a study regarding open‑heart surgery and therapeutic cardiac catheterization services for residents of South Carolina counties that are included in the Federal Bureau of Census’ Metropolitan Statistical Areas (MSA) of another state. The study shall consider access to open‑heart surgery to citizens of this State, the total cost of care to the patient and the patient’s family, the impact on the economy of South Carolina, the impact on health care economics of South Carolina; quality of care available based upon physician volume, population trends, and projections of the South Carolina community.

The task force must be appointed by the Governor and must be composed of:

(1) one South Carolina citizen residing in an MSA to be studied;

(2) one member of the General Assembly representing an MSA to be studied;

(3) the Chairman of the State Health Planning Committee;

(4) a physician recommended by the South Carolina Medical Association;

(5) a representative of the hospital industry recommended by the South Carolina Hospital Association;

(6) the Commissioner of the South Carolina Department of Health and Environmental Control; and

(7) the Director of the Department of Insurance.

Members of the task force shall receive the mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions. The findings and recommendations of the task force must be submitted to the Health Care Planning and Oversight Committee and the state health planning committee, established pursuant to Section 44‑7‑180, no later than January 1, 1995. In the manner provided for in Section 44‑7‑180 of the 1976 Code, the findings and recommendations submitted to the health planning committee become part of the State Health Plan in effect at the time the findings and recommendations are submitted to the committee.

B. Until the task force established under subsection A. issues its findings and recommendations, a facility may provide therapeutic cardiac catheterizations if that facility:

(1) has obtained a Certificate of Need for diagnostic cardiac catheterization before July 10, 1992, and filed to obtain a Certificate of Need for open‑heart surgical services before January 1, 1993; and

(2) has a written open‑heart surgery back‑up agreement with a facility that provides an open‑heart surgery service located within a thirty‑minute one‑way drive.

If the findings and recommendations of the task force do not provide for continued performance of therapeutic cardiac catheterization at a facility performing these services under this provision, the facility shall cease performing therapeutic cardiac catheterizations services within thirty days of the issuance of the findings and recommendations. If the findings and recommendations of the task force provide for continued performance of cardiac catheterizations at a facility performing this service under this provision and the facility applies for a Certificate of Need within thirty days, the facility may continue to provide the services until a final agency decision on the application for a Certificate of Need is issued, unless continued service is otherwise prohibited by Section 44‑7‑180 of the 1976 Code.

C. A committee appointed by the South Carolina Board of Medical Examiners shall conduct an annual review of the provision of therapeutic cardiac catheterization services and related physician practice at any hospital providing these services as authorized under subsection B. The committee must be composed of one physician specializing in cardiology from each congressional district and one cardiologist selected by the Board of Medical Examiners from the Medical University of South Carolina Cardiology Department who shall serve as chairman of the committee. None of the members of the committee may practice or reside in the Metropolitan Statistical Area (MSA) in which a facility to be reviewed is located. If the committee finds action by any physician at a facility where a review is being conducted creates an unreasonable risk to any patient, the State Board of Medical Examiners may take such action against the physician it considers necessary. In addition, the committee shall forward its findings to the Department of Health and Environmental Control and the department may take such action against the facility it considers necessary.

D. On May 25, 1994, the Office of Research and Statistical Services of the State Budget and Control Board immediately shall initiate a study of facilities providing therapeutic cardiac catheterizations without on‑site open‑heart surgery services. The study shall compare patient outcomes between these facilities and facilities with on‑site open‑heart surgery and determine if there is a statistically significant difference in patient outcomes. If the study concludes that patients of a facility conducting therapeutic cardiac catheterization without on‑site open‑heart surgery services have a statistically significant unfavorable outcome compared to patients at facilities with open‑heart surgery services, the facility without open‑heart surgery services immediately shall discontinue performing therapeutic cardiac catheterizations. The Office of Research and Statistical Services shall issue its findings no later than twelve months from May 25, 1994. Any facility which is the subject of this study shall provide the office with all data and information sufficient to complete its work.

E. If the department has reason to believe that patient care is being compromised, it may impose sanctions and take action authorized under Article 3, Chapter 7, Title 44 of the 1976 Code.

F. All proceedings of a person or entity conducting a review described in subsections C. or D. are not subject to discovery, subpoena or introduction into evidence in any civil action for damages for injury to the person arising out of any medical or surgical treatment, omission, or operation by a licensed health care provider as defined in Article 5, Chapter 79, Title 38. Further, there is no monetary liability on the part of and no cause of action for damages arising against a person or entity conducting or participating in a review described in subsection C. Nothing in Article 3, Chapter 7, Title 44 of the 1976 Code is intended to provide immunity to a person or entity in a civil action for damages.

G. Nothing in this section negates or may be construed to prohibit any enforcement action taken by the department against a facility for initiating a therapeutic cardiac service without a Certificate of Need.

H. Except as otherwise provided for in this section, the provisions of this section apply prospectively only.

**SECTION 44‑7‑190.** Project Review Criteria.

The department shall adopt, upon approval of the board, Project Review Criteria which, at a minimum, must provide for the determination of need for health care facilities, beds, services and equipment, to include demographic needs, appropriate distribution, and utilization; accessibility to underserved groups; availability of facilities and services without regard to ability to pay; absence of less costly and more effective alternatives; appropriate financial considerations to include method of financing, financial feasibility, and cost containment; consideration of impact on health systems resources; site and building suitability; consideration of quality of care; and relevant special considerations as may be appropriate. The Project Review Criteria must be adopted as a regulation pursuant to the Administrative Procedures Act.

**SECTION 44‑7‑200.** Application for Certificate of Need.

(A) An application for a Certificate of Need must be submitted to the department in a form established by regulation. The application must address all applicable standards and requirements set forth in departmental regulations, Project Review Criteria of the department, and the State Health Plan. The application must include the payment of a nonrefundable initial application fee of five hundred dollars. The department shall deduct this fee from the Certificate of Need filing fee which is payable in accordance with departmental regulations when the application is determined to be complete.

(B) Within twenty days before submission of an application, the applicant shall publish notification that an application is to be submitted to the department in a newspaper serving the area where the project is to be located for three consecutive days. The notification must contain a brief description of the scope and nature of the project. No application may be accepted for filing by the department unless accompanied by proof that publication has been made for three consecutive days within the prior twenty‑day period and payment of the initial application fee has been received.

(C) Upon publication of this notice and until a contested case hearing is requested pursuant to Section 44‑7‑210:

(1) members of the board and persons appointed by the board to hear appeals from department staff decisions may not communicate directly or indirectly with any person in connection with the application; and

(2) no person shall communicate, or cause another to communicate, as to the merits of the application with members of the board and persons appointed by the board to hear appeals from department staff decisions.

A person who violates this subsection is subject to the penalties provided in Section 1‑23‑360.

(D) After receipt of an application with proof of publication and payment of the initial application fee, the department shall publish in the State Register a notice that an application has been accepted for filing. Within thirty days of acceptance of the application, the department may request additional information as may be necessary to complete the application. The applicant has thirty days from the date of the request to submit the additional information. If the applicant fails to submit the requested information within the thirty‑day period, the application is considered withdrawn.

**SECTION 44‑7‑210.** Notification that application for Certificate of Need has been completed; review process; proposal to grant or deny certificate; final decision; methadone treatment facilities.

(A) After the department has determined that an application is complete, affected persons must be notified in accordance with departmental regulations. The notification of affected persons begins the review period. During the review process, the department shall determine the relative importance of the project review criteria for this project and shall notify the applicant of this determination. The applicant has thirty days from the date of the receipt of this notice to submit any additional information. The review period for a completed application is sixty days from the date of notification of affected persons, or up to sixty days from the date that applicants are notified of the relative importance of project review criteria provided for in this section, whichever is longer. One extension of up to sixty days may be granted by the department in accordance with departmental regulations with the exception of an extension that is granted to comply with a request for a public hearing.

(B) The department may hold a public hearing, if timely requested, to gather information and obtain public comment and opinion about the proposed project.

(C) The department may not issue a Certificate of Need unless an application complies with the State Health Plan, Project Review Criteria, and other regulations. Based on project review criteria and other regulations, which must be identified by the department, the department may refuse to issue a Certificate of Need even if an application complies with the State Health Plan. In the case of competing applications, the department shall award a Certificate of Need, if appropriate, on the basis of which, if any, most fully complies with the requirements, goals, and purposes of this article and the State Health Plan, Project Review Criteria, and the regulations adopted by the department.

(D) On the basis of staff review of the application, the staff of the department shall make a proposed decision to grant or deny the Certificate of Need. Notice of the proposed decision must be sent to the applicant and affected persons who have asked to be notified. The proposed decision becomes the final agency decision within ten days after the receipt of a notice of the proposed decision by the applicant unless:

(1) a reconsideration by the staff of the department is requested in writing within the ten‑day period by an affected person showing good cause for reconsideration of the proposed decision; or

(2) a contested case hearing before the board, or its designee, regarding the grant or denial of the Certificate of Need is requested in writing within the ten‑day period by the applicant or other affected person with standing to contest the grant or denial of the application.

Reconsideration by the staff must occur within thirty days from receipt of the request.

(E) The department’s proposed decision is not final until the completion of reconsideration or contested case proceedings. The burden of proof in a reconsideration or contested case hearing must be upon the moving party. The contested case hearing before the board or its designee is conducted as a contested case under the Administrative Procedures Act. The issues considered at the contested case hearing are limited to those presented or considered during the staff review and decision process.

(F) The department may not issue a Certificate of Need approval for a methadone treatment facility until licensure standards are promulgated by the department, in accordance with the Administrative Procedures Act, for these facilities. The department shall convene a study group to revise and propose licensure standards for methadone clinics. The study group shall consist of representatives of the department, the Department of Alcohol and Other Drug Abuse Services, methadone providers in South Carolina, and the Medical University of South Carolina. The licensure standards shall include standards for location of these facilities within the community. Methadone treatment facilities licensed as of January 1, 1997, must not be required to obtain a Certificate of Need pursuant to this section.

**SECTION 44‑7‑220.** Judicial review of final board decision.

After the contested case hearing is concluded and a final board decision is made, a party who participated in the contested case hearing and who is affected adversely by the board’s decision may obtain judicial review of the decision in the circuit court pursuant to the Administrative Procedures Act. An appeal taken to the circuit court from a decision of the board on a Certificate of Need application has precedence on the court’s calendar and must be heard not later than forty‑five days from the date the petition is filed.

An applicant whose Certificate of Need application is denied by the board in favor of a competing application or a party adversely affected by the board’s decision shall deposit a bond with the clerk of court for the circuit court before the filing of a petition to appeal a final decision of the board granting or denying a Certificate of Need. The bond must be secured by cash or a surety authorized to do business in this State in an amount equal to five percent of the total cost of the project or twenty thousand dollars, whichever is greater. If the court affirms the decision of the board or dismisses the appeal, the court may award to the applicant approved for the Certificate of Need who is a party to the appeal all or a portion of the bond and may award reasonable attorney’s fees and costs incurred in the appeal. If an applicant appeals only the denial of his Certificate of Need application and there is no competing application involved in the appeal, the applicant is not required to deposit a bond with the circuit court.

If, at any stage of the appeal process involving the grant or denial of a Certificate of Need, the court finds that the appeal was frivolous, the court may award damages to the applicant approved for the Certificate of Need in addition to awarding the approved applicant single or double costs incurred in the appeal. In the case of a frivolous appeal of a denial of a Certificate of Need which does not involve a competing application, the court may award costs incurred in the appeal to the department.

As used in this section, “frivolous appeal” means any one of the following:

(1) an appeal taken solely for purposes of delay or harassment;

(2) where no question of law is involved;

(3) where the appeal is without merit.

**SECTION 44‑7‑230.** Limitation on Certificate of Need; capital expenditure; architectural plans; time limitation; Certificate of Need as not transferable.

(A) The Certificate of Need, if issued, is valid only for the project described in the application including location, beds and services to be offered, physical plant, capital or operating costs, or other factors as set forth in the application, except as may be modified in accordance with regulations. The department shall require periodic reports and make inspections to determine compliance with the Certificate of Need. Implementation of the project or operation of the facility or medical equipment that is not in accordance with the Certificate of Need application or conditions subsequently agreed to by the applicant and the department may be considered a violation of this article.

(B) In issuing a Certificate of Need, the department shall specify the maximum capital expenditure obligated under the certificate. The department shall prescribe the method used to determine capital expenditure maximums, establish procedures to monitor capital expenditures obligated under certificates, and establish procedures to review projects for which the capital expenditure maximum is exceeded or expected to be exceeded.

(C) Prior to any construction authorized by a Certificate of Need, final drawings and specifications prepared by an architect or engineer legally registered under the laws of this State must be submitted to the department for approval. All construction must be completed in accordance with approved plans and specifications and prior approval must be obtained from the department for any changes that substantially alter the scope of work, function of construction, or major items of equipment, safety, or cost of the facility during construction.

(D) A Certificate of Need is valid for six months from the date of issuance except for projects involving construction or replacement of, or major renovations or additions to, an acute care hospital. For these projects the Certificate of Need is valid for one year from the date of issuance. A Certificate of Need must be issued with a timetable submitted by the applicant and approved by the department to be followed for completion of the project. The holder of the Certificate of Need shall submit periodic progress reports on meeting the timetable as may be required by the department. Failure to meet the timetable results in the revocation of the Certificate of Need by the department unless the department determines that extenuating circumstances beyond the control of the holder of the Certificate of Need are the cause of the delay. The department may grant two extensions of up to six months each upon evidence that substantial progress has been made in accordance with procedures set forth in regulations. The board may grant further extensions of up to six months each only if it determines that substantial progress has been made in accordance with the procedures set forth in regulations.

(E) A Certificate of Need is nontransferable. A Certificate of Need or rights thereunder may not be sold, assigned, leased, transferred, mortgaged, pledged, or hypothecated, and any actual transfer or attempt to make a transfer of this sort results in the immediate voidance of the Certificate of Need. The sale or transfer of the controlling interest or majority ownership in a corporation, partnership, or other entity holding, either directly or indirectly, a Certificate of Need, results in the transfer and voidance of a Certificate of Need.

**SECTION 44‑7‑240.** Construction program.

The department may establish a construction program providing for adequate facilities in this State and, insofar as possible, shall provide for the distribution of facilities and services throughout this State in such manner as to make all types of health services reasonably accessible to all persons in this State. The State Health Plan as required by this article may be used for purposes of establishing the relative need of projects for which applications are submitted under this construction program. Submittal of applications and review and approval of projects for which federal funds are requested must be in accordance with regulations adopted by the department and applicable federal act.

**SECTION 44‑7‑250.** Department to establish and enforce basic standards.

The department shall establish and enforce basic standards for the licensure, maintenance, and operation of health facilities and services to ensure the safe and adequate treatment of persons served in this State.

**SECTION 44‑7‑260.** Requirements for licensure.

(A) If they provide care for two or more unrelated persons, the following facilities or services may not be established, operated, or maintained in this State without first obtaining a license in the manner provided by this article and regulations promulgated by the department:

(1) hospitals, including general and specialized hospitals;

(2) nursing homes;

(3) residential treatment facilities for children and adolescents;

(4) ambulatory surgical facilities;

(5) chiropractic inpatient facilities;

(6) community residential care facilities;

(7) facilities for chemically dependent or addicted persons;

(8) end‑stage renal dialysis units;

(9) day‑care facilities for adults;

(10) any other facility operating for the diagnosis, treatment, or care of persons suffering from illness, injury or other infirmity and for which the department has adopted standards of operation by regulation.

(11) habilitation centers for the mentally retarded or persons with related conditions.

(12) freestanding or mobile technology.

(13) facilities wherein abortions are performed.

(B) The licensing provisions of this article do not apply to:

(1) infirmaries for the exclusive use of the student bodies of privately‑owned educational institutions which maintain infirmaries;

(2) community‑based housing sponsored, licensed, or certified by the South Carolina Department of Disabilities and Special Needs. The Department of Disabilities and Special Needs shall provide to the Department of Health and Environmental Control the names and locations of these facilities on a continuing basis; or

(3) homeshare programs designated by the Department of Mental Health, provided that these programs do not serve more than two persons at each program location, the length of stay does not exceed fourteen consecutive days for one of the two persons, and the temporarily displaced person must be directly transferred from a homeshare program location. The Department of Mental Health shall provide to the Department of Health and Environmental Control the names and locations of these programs on a continuing basis.

(C) The department is authorized to investigate, by inspection or otherwise, any facility to determine if its operation is subject to licensure.

(D) Each hospital must have a single organized medical staff that has the overall responsibility for the quality of medical care provided to patients. Medical staff membership must be limited to doctors of medicine or osteopathy who are currently licensed to practice medicine or osteopathy by the State Board of Medical Examiners, dentists licensed to practice dentistry by the State Board of Dentistry and podiatrists licensed to practice podiatry by the State Board of Podiatry Examiners. No individual is automatically entitled to membership on the medical staff or to the exercise of any clinical privilege merely because he is licensed to practice in any state, because he is a member of any professional organization, because he is certified by any clinical examining board, or because he has clinical privileges or staff membership at another hospital without meeting the criteria for membership established by the governing body of the respective hospital. Patients of podiatrists and dentists who are members of the medical staff of a hospital must be coadmitted by a doctor of medicine or osteopathy who is a member of the medical staff of the hospital who is responsible for the general medical care of the patient. Oral surgeons who have successfully completed a postgraduate program in oral surgery accredited by a nationally recognized accredited body approved by the United States Office of Education may admit patients without the requirement of coadmission if permitted by the bylaws of the hospital and medical staff.

(E) No person, regardless of his ability to pay or county of residence, may be denied emergency care if a member of the admitting hospital’s medical staff or, in the case of a transfer, a member of the accepting hospital’s medical staff determines that the person is in need of emergency care. “Emergency care” means treatment which is usually and customarily available at the respective hospital and that must be provided immediately to sustain a person’s life, to prevent serious permanent disfigurement, or loss or impairment of the function of a bodily member or organ, or to provide for the care of a woman in active labor if the hospital is so equipped and, if the hospital is not so equipped, to provide necessary treatment to allow the woman to travel to a more appropriate facility without undue risk of serious harm. In addition to or in lieu of any action taken by the South Carolina Department of Health and Environmental Control affecting the license of any hospital, when it is established that any officer, employee, or member of the hospital medical staff has recklessly violated the provisions of this section, the department may require the hospital to pay a civil penalty of up to ten thousand dollars.

**SECTION 44‑7‑261.** Privately‑owned education infirmaries.

Health care facilities licensed pursuant to Regulation 61‑16, Minimum Standards for Licensing Hospitals and Institutional General Infirmaries, and designated as “privately‑owned education infirmaries” may be established within the jurisdiction of a larger nonmedical institution which maintains and operates organized facilities and services to accommodate two or more nonrelated students, faculty, and staff with illness, injury, or infirmity for a period exceeding twenty‑four hours for the diagnosis, treatment, and care of such persons and which provides medical, surgical, and professional nursing care, and in which all diagnoses, treatment, and care are performed under the direction of persons currently licensed to practice medicine and surgery in South Carolina. However, privately‑owned education infirmaries also may care for patients who are not students, faculty, or staff when the privately‑owned education infirmary has agreed to provide such care to this class or patients prior to January 1, 2007.

**SECTION 44‑7‑262.** Minimum resident‑staff ratios for nursing homes.

(A) As a condition of licensure, in addition to the number of licensed nursing personnel required by R61‑17, or any other regulation, a nursing home must provide at a minimum these resident‑staff ratios for staff who provide nursing care:

(1) 9 to 1 for shift 1;

(2) 13 to 1 for shift 2;

(3) 22 to 1 for shift 3.

In those facilities utilizing two twelve‑hour shifts, the staffing ratios for shift one apply to the twelve‑hour shift occurring primarily during the day, and the staffing ratios for shift three apply to the twelve‑hour shift occurring primarily during the night.

(B) For purposes of this section:

(1) “Shift 1” means a work shift that occurs primarily during the daytime hours including, but not limited to, a 7:00 a.m. to 3:00 p.m. shift;

(2) “Shift 2” means a work shift that generally includes both daytime and evening hours including, but not limited to, a 3:00 p.m. to 11:00 p.m. shift;

(3) “Shift 3” means a work shift that occurs primarily during the nighttime hours including, but not limited to, an 11:00 p.m. to 7:00 a.m. shift.

**SECTION 44‑7‑265.** Freestanding or mobile technology regulations to be promulgated.

The department shall promulgate regulations for licensing freestanding or mobile technology. At a minimum, the regulations must include:

(1) standards for the maintenance and operation of freestanding or mobile technology to ensure the safe and effective treatment of persons served;

(2) a description of the professional qualifications necessary for personnel to operate the equipment and interpret the test results;

(3) minimum staffing requirements to ensure the safe operation of the equipment and interpret the test results; and

(4) that all freestanding or mobile technology must be in conformance with professional organizational standards.

**SECTION 44‑7‑270.** Applications for license.

Applicants for a license shall file annually applications under oath with the department upon prescribed forms. An application must be signed by the owner, if an individual or a partnership, or in the case of a corporation by two of its officers, or in the case of a government unit by the head of the governmental department having jurisdiction over it. The application must set forth the full name and address of the facility for which the license is sought and the full name and address of the owner, the names of the persons in control, and additional information as the department may require, including affirmative evidence of ability to comply with standards and regulations adopted by the department. Each applicant shall pay an annual license fee prior to issuance of a license as established by regulation.

**SECTION 44‑7‑280.** Issuance of license; expiration.

Licenses issued pursuant to this article expire one year after date of issuance or annually upon uniform dates prescribed by regulation. Licenses must be issued only for the premises and persons named in the application and are not transferable or assignable. Licenses must be posted in a conspicuous place on the licensed premises.

**SECTION 44‑7‑290.** Necessity of complying with article and regulations of department.

The department may not issue licenses for the operation of facilities or services subject to this article unless the facility and persons named in the application are found to comply with the provisions of this article and the department’s regulations.

**SECTION 44‑7‑300.** Plans and specifications.

Prior to commencing the construction or alteration of facilities required to be licensed by this department, plans and specifications must be submitted to the department for review and approval in accordance with regulations of the department. If construction has commenced without submittal of plans and specifications, an applicant for a license is required to submit certified drawings for review and approval prior to action upon the application for a license.

**SECTION 44‑7‑310.** Certain information not to be disclosed publicly.

Information received by the Office of Health Licensing of the department through inspection or otherwise which does not appear on the face of the license may not be disclosed publicly in a manner as to identify individuals or facilities except in a proceeding involving the licensure or certification of need of the facility or licensing proceedings against an employee of the facility or as ordered by a court of competent jurisdiction.

**SECTION 44‑7‑315.** Disclosure of information regarding facility or home.

(A) Information received by the Division of Health Licensing of the department, through inspection or otherwise, in regard to a facility licensed by the department pursuant to this article or subject to inspection by the department including a nursing home, a community residential care facility, or an intermediate care facility for the mentally retarded, or a group home operated by a county mental retardation board or the State Mental Retardation Department must be disclosed publicly upon written request to the department. The request must be specific as to the facility or home, dates, documents, and particular information requested. The department may not disclose the identity of individuals present in a facility licensed by the department pursuant to this article or subject to inspection by the department including a nursing home, a community residential care facility, an intermediate care facility for the mentally retarded, or a group home. When a report of deficiencies or violations regarding a facility licensed by the department pursuant to this article or subject to inspection by the department including a nursing home, a community residential care facility, an intermediate care facility for the mentally retarded, or a group home is present in the department’s files when a request for information is received, the department shall inform the applicant that it has stipulated corrective action and the time it determines for completion of the action. The department also shall inform the applicant that information on the resolution of the corrective action order is expected to be available upon written request within fifteen days or less of the termination of time it determines for completion of the action. However, if information on the resolution is present in the files, it must be furnished to the applicant.

(B) This section does not apply to information considered confidential pursuant to Section 40‑71‑20 and Section 44‑30‑60.

**SECTION 44‑7‑320.** Denial, revocation, or suspension of license; penalties.

(A)(1) The department may deny, suspend, or revoke licenses or assess a monetary penalty against a person or facility for:

(a) violating a provision of this article or departmental regulations;

(b) permitting, aiding, or abetting the commission of an unlawful act relating to the securing of a Certificate of Need or the establishment, maintenance, or operation of a facility requiring certification of need or licensure under this article;

(c) conduct or practices detrimental to the health or safety of patients, residents, clients, or employees of a facility or service. This provision does not refer to health practices authorized by law;

(d) refusing to admit and treat alcoholic and substance abusers, the mentally ill, or the mentally retarded, whose admission or treatment has been prescribed by a physician who is a member of the facility’s medical staff; or discriminating against alcoholics, the mentally ill, or the mentally retarded solely because of the alcoholism, mental illness, or mental retardation;

(e) failing to allow a team advocacy inspection of a community residential care facility by the South Carolina Protection and Advocacy System for the Handicapped, Inc., as allowed by law.

(2) Consideration to deny, suspend, or revoke licenses or assess monetary penalties is not limited to information relating to the current licensing year but includes consideration of all pertinent information regarding the facility and the applicant.

(3) If in the department’s judgment conditions or practices exist in a facility that pose an immediate threat to the health, safety, and welfare of the residents, the department immediately may suspend the facility’s license and shall contact the appropriate agencies for placement of the residents. Within five days of the suspension a preliminary hearing must be held to determine if the immediate threatening conditions or practices continue to exist. If they do not, the license must be immediately reinstated. Whether the license is reinstated or suspension remains due to the immediate threatening conditions or practices, the department may proceed with the process for permanent revocation pursuant to this section.

(B) Should the department determine to assess a penalty, deny, suspend, or revoke a license, it shall send to the appropriate person or facility, by certified mail, a notice setting forth the particular reasons for the determination. The determination becomes final thirty days after the mailing of the notice, unless the person or facility, within such thirty‑day period, requests in writing a contested case hearing before the board, or its designee, pursuant to the Administrative Procedures Act. On the basis of the contested case hearing, the determination involved must be affirmed, modified, or set aside. Judicial review may be sought in accordance with the Administrative Procedures Act.

(C) The penalty imposed by the department for violation of this article or its regulations must be not less than one hundred nor more than five thousand dollars for each violation of any of the provisions of this article. Each day’s violation is considered a subsequent offense.

(D) Failure to pay a penalty within thirty days is grounds for suspension, revocation, or denial of a renewal of a license. No license may be issued, reissued, or renewed until all penalties finally assessed against a person or facility have been paid.

(E) No Certificate of Need may be issued to any person or facility until a final penalty assessed against a person or a facility has been paid.

(F) All penalties collected pursuant to this article must be deposited in the state treasury and credited to the general fund of the State.

**SECTION 44‑7‑325.** Fee for search and duplication of medical record; time limits for compliance with request for record.

(A) A health care facility, as defined in Section 44‑7‑130, and a health care provider licensed pursuant to Title 40 may charge a fee for the search and duplication of a medical record, but the fee may not exceed sixty‑five cents per page for the first thirty pages and fifty cents per page for all other pages, and a clerical fee for searching and handling not to exceed fifteen dollars per request plus actual postage and applicable sales tax. However, no fee may be charged for records copied at the request of a health care provider or for records sent to a health care provider at the request of the patient for the purpose of continuing medical care. The facility or provider may charge a patient or the patient’s representative no more than the actual cost of reproduction of an X‑ray. Actual cost means the cost of materials and supplies used to duplicate the X‑ray and the labor and overhead costs associated with the duplication.

(B) Except for those requests for medical records pursuant to Section 42‑15‑95:

(1) A health care facility shall comply with a request for copies of a medical record no later than forty‑five days after the patient has been discharged or forty‑five days after the request is received, whichever is later.

(2) Nothing in this section may compel a health care facility to release a copy of a medical record prior to thirty days after discharge of the patient.

**SECTION 44‑7‑330.** Power to sue.

The department, in accordance with the laws of this State governing injunctions and other processes, may maintain an action in the name of the State against any person or facility for violation of this article and regulations promulgated under this article. In charging any defendant in a complaint in an action, it is sufficient to charge that the defendant, upon a certain day and in a certain county, did violate any provision of this article or of the regulations promulgated without the necessity for showing irreparable harm.

**SECTION 44‑7‑340.** Violation as misdemeanor; fines.

Any person or facility violating any of the provisions of this article or a regulation under this article is guilty of a misdemeanor and, upon conviction, must be fined not more than one hundred dollars for the first offense and not more than five thousand dollars for a subsequent offense. Each day’s violation after a first conviction constitutes a subsequent offense.

**SECTION 44‑7‑345.** Discrimination prohibited in admission of individuals to residential care facilities.

Community residential care facilities licensed pursuant to this article which receive public funds, including funds appropriated in Part I of the appropriation act, directly or indirectly, including those instances where payment of an optional state supplement from the South Carolina Department of Social Services is made to a resident, their designated representative payee, or guardian, rather than directly to a facility, may not deny admission or services to an individual on the basis of race, color, national origin, qualified handicap, sex, or age.

**SECTION 44‑7‑350.** Community residential care facility.

The agency placing a client in a community residential care facility shall develop an individual plan of care in cooperation with the provider. The placing agency shall monitor the plan to the extent considered appropriate by the placement agency.

Prior to a community residential care facility being licensed for operation in an area which is outside incorporated areas of a county, the following conditions must be met:

(1) The governing body for the area must be given notice of the proposed location.

(2) Where the governing body objects to the proposed site for the facility, the arbitration procedures set forth in Act 449 of 1978 must be employed.

**SECTION 44‑7‑360.** Itemized billing.

Community residential care facilities are required to furnish an item‑by‑item billing for all charges to the resident or the person paying the bill, upon request by the resident or person paying the bill. Items which remain unpaid are not required to be itemized again. A request for itemized billing remains in effect until further notification by the resident or person paying the bill. The provisions of this section do not apply to the contracted amount of a state agency. Any amount above the contract must be itemized accordingly. Residents receiving an optional supplement from the State Department of Social Services must not be charged an amount greater than that set by that department.

**SECTION 44‑7‑370.** Residential Care Committee; Renal Dialysis Advisory Council.

(A) The South Carolina Department of Health and Environmental Control shall establish a Residential Care Committee to advise the department regarding licensing and inspection of community residential care facilities.

(1) The committee consists of the Long Term Care Ombudsman, three operators of homes with ten beds or less, four operators of homes with eleven beds or more, and three members to represent the department appointed by the commissioner for terms of four years.

(2) The terms must be staggered and no member may serve more than two consecutive terms. Any person may submit names to the commissioner for consideration. The advisory committee shall meet at least once annually with representatives of the department to evaluate current licensing regulations and inspection practices. Members shall serve without compensation.

(B) The Department of Health and Environmental Control shall appoint a Renal Dialysis Advisory Council to advise the department regarding licensing and inspection of renal dialysis centers. The council must be consulted and have the opportunity to review all regulations promulgated by the board affecting renal dialysis prior to submission of the proposed regulations to the General Assembly.

(1) The council is composed of a minimum of fourteen persons, one member recommended by the Palmetto Chapter of the American Nephrology Nurses Association; one member recommended by the South Carolina Chapter of the National Association of Patients on Hemodialysis and Transplants; three physicians specializing in nephrology recommended by the South Carolina Renal Physicians Association; two administrators of facilities certified for dialysis treatment or kidney transplant services; one member recommended by the South Carolina Kidney Foundation; one member recommended by the South Carolina Hospital Association; one member recommended by the South Carolina Medical Association; one member of the general public; one member representing technicians working in renal dialysis facilities; one member recommended by the Council of Nephrology Social Workers; and one member recommended by the Council of Renal Nutritionists. The directors of dialysis programs at the Medical School of the University of South Carolina and the Medical University of South Carolina, or their designees, are ex officio members of the council.

(2) Members shall serve four‑year terms and until their successors are appointed and qualify. No member of council shall serve more than two consecutive terms. The council shall meet as frequently as the board considers necessary, but not less than twice each year. Members shall serve without compensation.

**SECTION 44‑7‑380.** Surgical technology and operating room circulators; definitions; requirements to practice; exceptions.

(A) As used in this section, “surgical technology” means intraoperative surgical patient care that involves:

(1) preparing the operating room for surgical procedures by ensuring that surgical equipment is functioning properly and safely;

(2) preparing the operating room and the sterile field for surgical procedures by preparing sterile supplies, instruments, and equipment using sterile technique;

(3) anticipating the needs of the surgical team based on knowledge of human anatomy and pathophysiology and how they relate to the surgical patient and the patient’s surgical procedure; and

(4) as directed within the sterile field in an operating room setting, performing tasks including:

(a) passing supplies, equipment, or instruments;

(b) sponging or suctioning an operative site;

(c) preparing and cutting suture materials;

(d) transferring fluids or drugs;

(e) holding retractors; and

(f) assisting in counting sponges, needles, supplies, and instruments.

(B)(1) A person may not practice surgical technology in a health care facility unless the person meets one of the following requirements:

(a) has successfully completed an accredited educational program for surgical technologists and holds and maintains the Surgical Technologist Certification administered by the National Board of Surgical Technology and Surgical Assisting, or its successor; however, upon completion of an accredited education program for surgical technologists, graduates may practice for up to three months before completing certification by the National Board of Surgical Technology and Surgical Assisting, or its successor;

(b) has completed an appropriate training program for surgical technology in the United States Army, Navy, Air Force, Marine Corps, or Coast Guard or in the United States Public Health Service;

(c) provides evidence that the person was employed to practice surgical technology in a health care facility in this State prior to January 1, 2008; or

(d) is in the service of the federal government, to the extent the person is performing duties related to that service.

(2) A person qualified to practice as a surgical technologist pursuant to subsection (B)(1) remains qualified to practice regardless of a break in practice provided the continuing education required in subsection (D) is current.

(C) A person who does not meet the requirements of this section, may practice surgical technology in a health care facility if:

(1) after a diligent and thorough effort has been made, the health care facility is unable to employ a sufficient number of persons who meet the requirements of this section; and

(2) the health care facility makes a written record of its efforts made pursuant to item (1) and retains the record at the health care facility.

(D) A person who qualifies to practice surgical technology in a health care facility pursuant to subsection (B)(1)(a), (b), or (c) annually must complete fifteen hours of continuing education to remain qualified for employment.

(E) A health care facility that employs a person to practice surgical technology shall verify that the person meets the continuing education requirements of subsection (D) or that the person has held and maintained the Surgical Technologist Certification as required in subsection (B)(1)(a).

(F) A health care facility shall supervise each person employed by the health care facility to practice surgical technology according to the health care facility’s policies and procedures to ensure that the person competently performs delegated tasks intraoperatively according to this section or other applicable provisions of law.

(G) This section does not prohibit a person licensed under another provision of law from performing surgical technology tasks or functions if the person is acting within the scope of his or her license.

**SECTION 44‑7‑385.** Requirements for serving as operating room circulator.

(A) As used in this section, an “operating room circulator” means a registered nurse trained, educated, or experienced in perioperative nursing who is responsible for coordinating the nursing care and safety needs of a patient in the operating room and who also meets the needs of the operating room team members during surgery.

(B) An operating room circulator in a health care facility must be a licensed registered nurse educated, trained, and experienced in perioperative nursing.

(C) A surgical technologist may not serve as the circulator in the operating room of a health care facility; however, a person who is employed to practice surgical technology in a health care facility may assist in the performance of circulating duties:

(1) consistent with the person’s education, training, and experience; and

(2) as assigned and supervised by a registered nurse circulator who must be present in the operating room for the duration of the surgical procedure.

ARTICLE 4.

HEALTH CARE COOPERATION ACT

**SECTION 44‑7‑500.** Short title.

This article may be known and cited as the “Health Care Cooperation Act”.

**SECTION 44‑7‑505.** Findings.

The General Assembly makes the following findings:

(1) that the cost of improved health technology and scientific methods contributes significantly to the increasing cost of health care;

(2) that cooperative agreements among hospitals health care purchasers, and other health care providers would foster improvements in the quality of health care for South Carolinians, moderate cost increases, improve access to needed services in rural areas, and enhance the likelihood that rural hospitals can remain open;

(3) that federal and state antitrust laws may prohibit or discourage cooperative agreements that are beneficial to South Carolinians and that such agreements should be encouraged; and

(4) that competition as currently mandated by federal and state antitrust laws should be supplanted by a regulatory program to permit and encourage cooperative agreements between hospitals, health care purchasers, or other health care providers when the benefits outweigh the disadvantages caused by their potential adverse effects on competition.

**SECTION 44‑7‑510.** Definitions.

As used in this article:

(1) “Affected persons” means a health care provider or purchaser:

(a) who provides or purchases the same or similar health care services in the geographic area served or to be served by the applicants for a certificate of public advantage: or

(b) who has notified the department of his interest in applications for certificates of public advantage and has a direct economic interest in the decision. Other than health insurers licensed in South Carolina, persons from other states who would otherwise be considered “affected persons” are not included unless that state provides for similar involvement of persons from South Carolina in a similar process in that state.

(2) “Certificate of public advantage” means the formal approval, including any conditions or modifications, by the department of a contract, business or financial arrangement, or other activities or practices between two or more health providers, health provider networks, or health care purchasers that might be construed to be violations of state or federal antitrust laws.

(3) “Cooperative agreement” means an agreement between two health providers, health provider networks, or purchasers or among more than two health care providers, health provider networks, or purchasers for the sharing, allocation, or referral of patients or the sharing or allocation of personnel, instructional programs, support services and facilities, medical, diagnostic or laboratory facilities, procedures, equipment, or other health care services traditionally offered by health care facilities or other health care providers or the acquisition or merger of assets among or by two or more health providers, health provider networks, or health care purchasers, provided the agreement does not involve price‑fixing or predatory pricing or illegal tying arrangements.

(4) “Department” means the Department of Health and Environmental Control.

(5) “Health care provider” means a health care professional licensed, certified, or registered under the laws of this State, an organization licensed pursuant to Section 44‑69‑30 or Section 44‑71‑30, or a facility licensed pursuant to Section 44‑7‑260 or Section 44‑89‑40 to provide health care services or any other person as defined in Section 44‑7‑130(15) who provides health services in a freestanding or mobile facility.

(6) “Health care purchaser” means a person or organization that purchases health care services on behalf of an identified group of persons, regardless of whether the cost of coverage of services is paid for by the purchaser or by the person receiving coverage or services including, but not limited to:

(a) health insurers as defined by Section 38‑71‑920;

(b) employee health plans offered by self‑insured employers;

(c) group health coverage offered by fraternal organizations, professional associations, or other organizations;

(d) state and federal health care programs; and

(e) state and local public employee health plans.

(7) “Health provider networks” means an organization of health care providers which offers health services to residents of this State. An organization may be a partnership, corporation including an association, a joint stock company, or any other legal entity recognized by the State.

(8) “Federal or state antitrust laws” means a federal or state law prohibiting monopolies or agreements in restraint of trade, including the Federal Sherman Act and Clayton Act, the Federal Trade Commission Act, and Chapters 3 and 5 of Title 39 of the 1976 Code.

**SECTION 44‑7‑520.** Intent.

(A) It is the intent of this article to require the State to provide direction, supervision, regulation, and control over approved cooperative agreements through the department and the Attorney General. This state direction, supervision, regulation, and control of cooperative agreements will provide immunity for health care providers, health provider networks, or purchasers who participate in discussions or negotiations authorized by this article from civil liability and criminal prosecution under federal or state antitrust laws.

(B) A health care provider, health provider network, or health care purchaser may negotiate, enter into, and conduct business pursuant to a cooperative agreement without being subject to damages, liability, or scrutiny under any state antitrust law. In addition, conduct in negotiating and entering into a cooperative agreement for which an application for a certificate of public advantage is filed in good faith is immune from challenge or scrutiny under state antitrust laws, regardless of whether a certificate is issued. It is the intention of the General Assembly that this article immunizes covered activities from challenge or scrutiny under federal antitrust laws. Nothing in this subsection creates immunity for a person for conduct in negotiating or entering into a cooperative agreement for which an application for a certificate of public advantage is not filed.

**SECTION 44‑7‑530.** Cooperative agreements.

A health care provider, health care purchaser, or health provider network may negotiate and enter into cooperative agreements with other health care providers or health provider networks or health care purchasers if the likely benefits resulting from the agreements outweigh any likely disadvantages resulting from the agreements. Parties to a cooperative agreement may apply to the department for a certificate of public advantage. The application must include an executed written copy of the cooperative agreement and describe the nature and scope of the cooperation in the agreement and any monetary or other consideration passing to a party under the agreement including change of ownership, merger, or other change in control of the assets of either party. Information obtained by the department under this section must be available to the public unless the department certifies the information as being proprietary. The department may make this certification where a person shows to the satisfaction of the department that the information should be proprietary. The department may require an application fee from the submitting parties sufficient to cover the cost of processing the application.

**SECTION 44‑7‑540.** Publish; notice of receipt of application.

Upon receipt of an application, the department shall publish in the State Register notice of receipt of the application. The department shall review the application in accordance with the standards set forth in Section 44‑7‑560 and if requested by an affected person within thirty days of the department’s receipt of a completed application, may hold a public hearing in accordance with regulations promulgated by the department. Within thirty days of receipt of the application, the department may request additional information as may be necessary to complete the application. The applicant has thirty days from the date of the request to submit the additional information. If the applicant fails to submit the requested information within the thirty‑day period, the application is considered withdrawn. However, the department may grant one fifteen‑day extension for the applicant to submit this information. The department shall grant or deny the application within sixty days after receipt of a completed application or from the date of the public hearing, if one is requested, and that decision must be in writing and must set forth the basis for the decision. The department shall furnish a copy of the decision to the applicants and any affected persons who have asked to be notified. The department shall publish its decisions in the State Register.

**SECTION 44‑7‑550.** Review of application; advisement by the Attorney General; to the department to approve or deny application.

(A) Upon receipt of a completed application the department shall forward a copy of the application to the Attorney General. The Attorney General shall review the request not later than thirty days after receiving the completed application. The Attorney General may advise the department, in writing, to approve or deny the application. Failure by the Attorney General to notify the department within thirty days of receiving a completed application constitutes a recommendation for approval of the request. Advisement by the Attorney General to the department to deny a request shall set forth the reasons for the denial.

(B) Upon receipt of the advice of the Attorney General or at the end of the review period outlined in Section 44‑7‑540, the department shall issue an order approving or denying the application for a certificate of public advantage. Upon request from the applicant or an affected person, the department’s order to approve or deny the application for the certificate is entitled to judicial review in accordance with the Administrative Procedures Act.

**SECTION 44‑7‑560.** Issuance of a certificate of public advantage for a cooperative agreement.

(A) The department shall issue a certificate of public advantage for a cooperative agreement if it determines that:

(1) the applicants have demonstrated that the likely benefits resulting from the agreement outweigh the likely disadvantages from the agreement;

(a) in evaluating the benefits likely to result from the cooperative agreement, the department shall consider, but is not limited to:

(i) enhancement of the quality of health and health related care provided to South Carolina citizens;

(ii) preservation of health care providers close to communities traditionally served by those providers;

(iii) gains in the cost‑efficiency of the services offered by the health care providers or purchasers involved;

(iv) improvements in the use of health care provider resources and equipment;

(v) avoidance or elimination or reduction of duplication of health care resources;

(vi) improvement in access to health care for citizens in the community;

(vii) support of the agreement by purchasers and payers in the health service area;

(viii) the extent of financial risk‑sharing by the parties as a result of the agreement;

(ix) the provision or enhancement of health care services to Medicaid, indigent, or charity care patients by the parties to the agreement.

(b) In evaluating the disadvantages likely to result from the agreement, the department shall consider, but is not limited to:

(i) the likely adverse impact, if any, on the ability of the health care purchasers to negotiate optimal payment and service arrangements with the health care providers or health provider networks;

(ii) the extent of any reduction in competition among health care providers, purchasers, or other persons furnishing goods or services to or in competition with health care providers or purchasers that is likely to result directly or indirectly from the health care cooperative agreement;

(iii) the likely adverse impact, if any, on patients in the quality, availability, and price of health care services;

(iv) the extent to which the agreement may increase the costs of prices of health care at a hospital or other health care provider which is a party to the agreement;

(v) the extent to which services to Medicaid, indigent, or charity care patients are adversely impacted by the agreement; and

(2) reduction in competition likely to result from the agreement is reasonably necessary to obtain the benefits likely to result. In evaluating whether the reduction in competition is necessary to obtain the likely benefits, the department shall consider, but is not limited to:

(a) the availability of arrangements that:

(i) are less restrictive to competition and achieve the same benefits;

(ii) offer a more favorable balance of benefits over disadvantages attributable to a reduction in competition likely to result from the agreement.

(b) the ease with which health care providers or health care purchasers may obtain contracts with other health plans;

(c) the difficulty in establishing new competing health plans in the relevant geographic market, including the ability to offer services requiring a certificate of need or purchasing these services from another health care provider or health provider network; and

(d) the sufficiency of the number or type of providers under contract with the health plan available to meet the needs of plan enrollees.

(B) The department also may establish conditions for approval that are reasonably necessary to ensure that the cooperative agreement and the activities engaged under it are consistent with this article and its purpose to promote cooperation and limit health care costs, protect against abuse of private economic power, and to ensure that the activity is appropriately supervised and regulated by the State.

**SECTION 44‑7‑570.** Monitoring and regulating agreements by the department.

(A) The department shall actively monitor and regulate agreements approved under this article and may request information whenever necessary to ensure that the agreements remain in compliance with the conditions of approval. The department shall charge an annual fee to cover the cost of monitoring and regulating these agreements, including certificates of public advantage. During the time the certificate is in effect, a report on the activities pursuant to the cooperative agreement must be filed with the department every two years so that the department shall determine that the cooperative agreement continues to comply with the terms of the certificate of public advantage. The department may revoke a certificate upon a finding that:

(1) the agreement is not in substantial compliance with the terms of the application or the conditions of approval; or

(2) the likely benefits resulting from the certified agreement no longer outweigh any disadvantages attributable to any potential reduction in competition resulting from the agreement; or

(3) the department’s certification was obtained as a result of intentional material misrepresentation to the department or as the result of coercion, threats, or intimidation toward any party to the cooperative agreement.

(B) A decision by the department to revoke a certificate of public advantage is entitled to judicial review in accordance with the Administrative Procedures Act.

(C) Nothing in this article limits the authority of the Attorney General to initiate civil enforcement action or criminal prosecution upon the determination that health care providers, health provider networks, or health care purchasers have exceeded the scope of the certificate of public advantage approved by the department. A review by the Attorney General must be conducted according to the standards set forth in this article.

(D) The department shall promulgate regulations to implement the provisions of this article including any fees and application costs associated with the monitoring and oversight of cooperative agreements approved under this article.

**SECTION 44‑7‑580.** Maintaining on file all cooperative agreements which certificates of public advantage remain in effect.

The department shall maintain on file all cooperative agreements for which certificates of public advantage remain in effect. A dispute among the parties to a cooperative agreement concerning its meaning or terms is governed by normal principles of contract or other applicable law. A party to a cooperative agreement who terminates the agreement shall notify the department within fifteen days of the termination. If all parties terminate their participation in the cooperative agreement, the department shall revoke the certificate of public advantage for the agreement.

**SECTION 44‑7‑590.** Exemptions.

Nothing in this article exempts health care providers or purchasers from compliance with the provisions of Article 3 of this chapter concerning certificates of need.

ARTICLE 5.

COUNTY, TOWNSHIP OR MUNICIPAL HOSPITALS, OR TUBERCULOSIS CAMPS

**SECTION 44‑7‑610.** Petition for establishment of public hospital or tuberculosis camp.

A petition may be presented to the legislative delegation of any county in this State, signed by two hundred residents or freeholders of such county or two thirds of the freeholders of any township, city or town, requesting the establishment and maintenance of a public hospital or tuberculosis camp in such county, township, city or town and specifying the maximum amount of money proposed to be expended in purchasing or building such hospital or tuberculosis camp.

**SECTION 44‑7‑620.** Election.

Upon the filing of such petition, the county legislative delegation shall submit the question to the qualified electors of the county, township, city or town at a special election called for that purpose, first giving ninety days’ notice thereof in one or more newspapers published in the county, township, city or town, if any be published therein, and by posting such notice, written or printed, in each township of the county in case of a county hospital or tuberculosis camp, or at three conspicuous places in the township, city or town in case of a township, city or town hospital or tuberculosis camp. Such election shall be held at the usual places in such county, township, city or town as provided for other elections, and the votes shall be canvassed in the same manner as in any election for officers for such county, township, city or town.

**SECTION 44‑7‑630.** Filing results of elections and amount of bonds authorized.

The said legislative delegation shall file with the governing body of the county, if the election was for a county or township hospital or tuberculosis camp, or with the town council if the election was for a city or town hospital or tuberculosis camp, a detailed statement of the votes cast for the hospital or tuberculosis camp and, if a majority of the qualified voters at such election shall be in favor of building and maintaining such hospital or tuberculosis camp, the amount of bonds to be issued, and in such case such governing body or town council shall issue bonds of the county, township, city or town in the aggregate principal amount not to exceed the amount required for the purpose of building such hospital as voted for by the freeholders.

**SECTION 44‑7‑640.** Sale, terms and execution of bonds.

Such bonds shall be issued and sold from time to time after their date to the highest bidder for cash at not less than par and in such denominations as the officials shall determine. They shall bear interest at a rate not exceeding five per cent per annum, payable semiannually, and to each bond shall be attached coupons for the semiannual interest from date to maturity. Such bonds shall be signed by the chairman of the governing body of the county or mayor of any town or city, and the lithographed signature shall be a sufficient signing of the coupons on the bonds.

**SECTION 44‑7‑650.** Custody and disbursement of proceeds of bond sale.

The proceeds of the sale of such bonds shall be placed in the county, city, town or township treasury and shall be kept by the treasurer of such office and paid out upon the orders of the governing body of the county or the city or town council for the purposes herein mentioned.

**SECTION 44‑7‑660.** Annual tax.

In order to meet the principal and interest of such bonds as they mature, the auditor of the county or the clerk of the council of any town or city shall annually levy upon all of the property of such county, township, city or town taxes not exceeding two mills and for a period of time not exceeding twenty years, the proceeds from such levy to be paid out by the proper officers for the retirement of the principal and interest on any bonds sold.

**SECTION 44‑7‑670.** Selection and terms of trustees.

Should the majority of the qualified electors voting upon the question be in favor of such county, township, city or town hospital or tuberculosis camp, the county legislative delegation of such county shall proceed to appoint not more than seven nor less than three trustees to be chosen from citizens at large with reference to their fitness for such office, part of whom may be women, and all residents of the county, township, city or town, who shall constitute the trustees for such hospital or tuberculosis camp. The trustees shall hold their offices for two years or until their successors shall be appointed. Provided, that in Allendale County there may be appointed not more than nine trustees.

**SECTION 44‑7‑680.** Oath of trustees; organization as board.

The trustees shall within ten days after their appointment qualify by taking the oath required of other officers of the State and organize as a board of hospital trustees by the election of one of their number as chairman and one as secretary and by the election of such other officers as they may deem necessary. But no bonds shall be required of them.

**SECTION 44‑7‑690.** Treasurer.

The treasurer of the county, township, city or town in which the hospital or tuberculosis camp is located shall be the treasurer of the board of trustees. He shall receive and pay out all moneys under the control of the board as directed by it.

**SECTION 44‑7‑700.** Compensation of treasurer and trustees.

The treasurer shall receive no compensation for his services, and no trustee shall receive compensation for his services, but he may receive reimbursement for any cash expenditures actually made for personal expenses incurred as such trustee.

**SECTION 44‑7‑710.** Meetings of board; records.

The board of trustees shall hold meetings at least once each month and shall keep a complete record of all proceedings.

**SECTION 44‑7‑720.** Powers of board.

The board of trustees when so organized shall adopt and promulgate such rules, regulations and bylaws for the government of the hospital or tuberculosis camp as may be deemed expedient for the economic and equitable conduct thereof. It shall have control of the expenditure of all moneys collected to the credit of the hospital or tuberculosis camp, the construction of any building or buildings and the care of the grounds, rooms and buildings purchased. It may also appoint a superintendent, an assistant superintendent and a matron, fix their compensation and do all things necessary to carry out the establishment and maintenance of the hospital or tuberculosis camp.

**SECTION 44‑7‑730.** Prerequisites to construction of hospital.

No hospital building shall be erected or constructed until plans and specifications have been made therefor and adopted by the board of hospital trustees and bids advertised for according to the law and custom in regard to other county buildings.

**SECTION 44‑7‑740.** Municipal jurisdiction.

The jurisdiction of the city or town in or near which a public hospital or tuberculosis camp is located shall extend over all land used for hospital or tuberculosis camp purposes outside the corporate limits, and all ordinances of such city or town shall be in full force and effect in and over the territory occupied by such public hospital or tuberculosis camp.

**SECTION 44‑7‑750.** Beneficiaries of hospital.

Every hospital established under the provisions of this article shall be for the benefit of the inhabitants of such county, township, city or town and any persons falling sick or being injured or maimed within its limits. In order to render the hospital or tuberculosis camp of the greatest use to the greatest number, the board may exclude from the use of such hospital or tuberculosis camp any person who shall wilfully violate the rules and regulations made by the board of trustees. And the board may extend the privileges and use of such hospital to persons residing outside of such county, township, city or town upon such terms and conditions as may be prescribed from time to time by its rules and regulations.

**SECTION 44‑7‑760.** Payment for service.

Every person who is financially able shall pay to the board of hospital trustees or such officers as it shall designate for such county or public hospital or tuberculosis camp such reasonable compensation as he is able to pay for occupying a bed in such hospital or camp or being nursed, cared for or maintained therein according to the rules and regulations of the board.

**SECTION 44‑7‑770.** No discrimination shall be made between legal schools of medicine.

In the management of such hospital or tuberculosis camp no discrimination shall be made against any practitioner of any school of medicine recognized by the laws of this State, and all such legal practitioners shall have the privilege of treating patients in such hospital or tuberculosis camp.

**SECTION 44‑7‑780.** Donations.

Any person desiring to make donations of money, personal property or real estate for the benefit of any such hospital or tuberculosis camp may vest title to the property so donated in any county, township, city or town, to be controlled when accepted by the board of hospital trustees according to the terms of the deed.

ARTICLE 7.

HOSPITALS IN MUNICIPALITIES OF 1,000 TO 5,000

**SECTION 44‑7‑910.** Authority to establish and maintain hospital.

Any city or town in this State having a population of not less than one thousand inhabitants and not more than five thousand, according to the 1940 census of the United States, may establish, construct, operate and maintain a municipal hospital, either within or without its corporate limits, and issue bonds and levy taxes for that purpose.

**SECTION 44‑7‑920.** Petition and election on establishment and maintenance of hospital.

Before any such city or town may establish and build a hospital under the terms of this article, a petition, signed by a majority of the freeholders of such municipality, shall be presented to the city council, setting forth the purpose thereof and the amount of the bonded indebtedness to be incurred, if any, with the request that the question of the establishment and maintenance of a municipal hospital be submitted to the qualified electors of such municipality, either in a special election called for that purpose or at the time of the regular election of city officials. Upon receipt of such petition, the city council may, by ordinance or resolution setting forth the purposes of the election, the amount of the proposed bonded indebtedness to be incurred, if any, and any other pertinent facts, order an election for that purpose, first giving at least thirty days’ notice of such election before the holding thereof, with the question or questions to be submitted, in one or more newspapers published in such city or town, if one be published therein and, if not, then in the newspaper published nearest to such city or town and having general circulation therein, and posting notices of the election in three conspicuous places in such city or town. Such election shall be held at the usual place or places in such city or town according to the law governing municipal elections therein, and the votes shall be canvassed and the results declared in the same manner as in the election of officers for such municipality.

**SECTION 44‑7‑930.** Election and membership of board of trustees.

If a majority of the qualified voters at such election shall vote in favor of the establishment, construction, operation and maintenance of a municipal hospital, the council of the city or town shall elect a board of trustees of such hospital, consisting of three members, one of whom shall be elected for a term of three years, another for a term of two years and the other for a term of one year. Thereafter each member’s successor shall be elected by the council for a term of three years. In the event of a vacancy by death, resignation or change of residence by any trustee from the limits of the city, the council shall immediately elect a trustee to fill the unexpired term.

**SECTION 44‑7‑940.** Oath, organization and compensation of trustees.

The persons elected trustees of any such municipal hospital shall qualify by taking the oath of office required of other officials of the municipality and shall organize as a board of trustees of such hospital by the election of one of their number as chairman and one as secretary. The trustees of such hospital shall receive no compensation for their services as trustees, but may be reimbursed for any cash expenditures actually made for personal expenses incurred in the fulfillment of their duties of the office.

**SECTION 44‑7‑950.** Meetings and records of board of trustees.

The board of trustees of any such hospital shall meet once each month for the transaction of business and oftener if necessary. It shall keep a complete record of all contracts, rules and regulations and of all proceedings of the board and also a record of all moneys received and all expenditures and disbursements made and shall file a copy of such records at the end of every month with the city clerk for review and approval by the city council.

**SECTION 44‑7‑960.** Duties and compensation of treasurer.

The treasurer of the city or town in which the hospital is to be established shall serve as the treasurer of the hospital board of trustees, in addition to his regular duties, without additional compensation to himself unless the governing body of such city or town shall provide for and pay additional compensation. He shall receive and be responsible for all funds of the hospital delivered to him, and he shall pay out such funds as directed by the hospital board of trustees.

**SECTION 44‑7‑970.** Issuance of bonds.

If a majority of the qualified voters in the election held for the establishment of a hospital shall also vote for the issuance of bonds in a designated sum recited in the petition calling for an election and in the notices of such election and stated on the ballots, for the purposes of purchasing the required real estate and constructing and equipping the hospital building or buildings, the city or town council may proceed to issue and sell municipal coupon bonds, in the name of the municipality, in a sum not exceeding that voted for in the election.

**SECTION 44‑7‑980.** Terms, form and execution of bonds.

Such bonds shall mature serially over a period not exceeding thirty years from the date of their issue, shall bear interest at a rate not exceeding four per cent per annum, payable annually, shall be payable to bearer within or without the State and shall be in such form and denominations as the city council of such municipality may determine. The said bonds shall be signed by the mayor and the treasurer, and the seal of the issuing municipality shall be impressed thereon, but the coupons attached may be authenticated by only the lithographed or the facsimile signatures of the mayor and treasurer of such municipality. The bonds so executed shall be valid notwithstanding any change in officials occurring before delivery thereof.

**SECTION 44‑7‑990.** Sale of bonds.

Such bonds shall be sold for not less than par and accrued interest, upon sealed bids, after notice of such sale by publication in some newspaper published in the city or town or having general circulation therein for at least fifteen days prior thereto. The award shall be given to the bidder offering the most advantageous terms for the purchase of such bonds, but the city or town council may reject any and all bids and reoffer the bonds for sale.

**SECTION 44‑7‑1000.** Proceeds of bond issue.

The proceeds derived from the sale of such bonds shall be deposited with the city or town treasurer and shall be distributed by him upon direction of the hospital board of trustees for the purposes authorized herein.

**SECTION 44‑7‑1010.** Payment of bonds; annual tax.

The full faith, credit and taxing power of any city or town issuing bonds hereunder for the purposes outlined in this article are hereby irrevocably pledged for the prompt payment of such bonds, with accrued interest thereon, as and when they become due. And the city or town council of such municipality shall levy annually a sufficient tax on all the taxable property within the limits of such city or town sufficient to pay such bonds, with interest accruing thereon, as they respectively become due, and the city or town clerk and treasurer shall collect such tax and apply the proceeds thereof to the payment of the bonds.

**SECTION 44‑7‑1020.** Acquisition of property; memorials.

The board of trustees of any such hospital may acquire real estate by purchase or gift for hospital purposes in the name of the city or town and apply for and accept grants, gifts, contributions, trust funds or other property for and in the name of the hospital, may name the hospital in honor of any principal grantor or contributor to the same and may authorize and establish memorials in the hospital buildings or on the grounds in the name of any donor upon request.

**SECTION 44‑7‑1030.** Employment of architect; construction contract.

The board of trustees may also employ an architect to execute necessary plans for a hospital building or buildings and to supervise the construction thereof, if deemed necessary, and may contract for the construction of such building or buildings after receiving bids therefor according to the prevailing custom of receiving bids and letting contracts to the lowest responsible bidder, but may reject any and all bids until a satisfactory bid has been submitted.

**SECTION 44‑7‑1040.** Furnishings, equipment and supplies; maintenance.

The board of trustees of any such hospital may also purchase furnishings, equipment and supplies and may replace the same from time to time, and they shall be responsible for the maintenance, repairs and upkeep of the buildings and property.

**SECTION 44‑7‑1050.** Jurisdiction of municipality when hospital outside its limits.

Should any municipal hospital authorized under the provisions of this article be built outside the corporate limits of the city or town, the jurisdiction of the municipal corporation shall extend over all land and property used for the hospital, and all ordinances of such city or town shall be in full force and effect in and over the territory so occupied.

**SECTION 44‑7‑1060.** Promulgation of rules for operation of hospital; employment of staff.

The board of trustees shall adopt and promulgate such rules, regulations and bylaws for the operation and government of the hospital as may be deemed expedient and necessary for the economic and equitable conduct thereof and establish thereby procedure for receiving and discharging patients and the rates, fees and charges to be made and collected for beds in wards or in private rooms and for the use of facilities and classified services, and, if and when necessary, the trustees may bring court proceedings for the enforcement of rights and the collection of accounts. They may also employ a superintendent of the hospital and other employees, designate the approved staff of physicians and surgeons, nurses and technicians and generally do any and all things necessary to carry out the operation of an approved hospital.

**SECTION 44‑7‑1070.** Persons who may be patients.

Any hospital established under the provisions of this article shall be primarily for the use and benefit of the inhabitants of the municipality owning and operating it, but in no event shall this article be construed as compelling such hospital to admit charity patients, it being the intent hereof that payment shall be made to the hospital for all patients according to the established rates, in order to operate the hospital, as far as possible, on a self‑supporting basis. However, the board of trustees may admit nonresident patients from contributing districts, as hereinafter defined, upon the same rate basis as established for residents of the municipality, or they may admit nonresident patients from outside the municipality and outside contributing districts upon a higher rate basis than established and charged residents of the municipality and contributing districts, if such higher rates are deemed advisable and necessary to keep the hospital on a self‑supporting basis. The board of trustees may also enter into contracts with any hospital benefit association permitted under the laws of this State to insure for hospital care and accept insured patients from within the municipality or from contributing districts or from other outside areas, if the facilities permit and beds are available. It may further authorize the admission and care of charity patients upon payment of approved charity rates by county or municipal governments or by payment from any charitable organization or eleemosynary corporation.

**SECTION 44‑7‑1080.** Agreements with contributing districts as to use of hospital.

The board of trustees of any municipal hospital established under the provisions of this article may enter into agreement with the residents of any adjoining or nearby school district, including any portion of a school district outside the limits in which such city or town is located, to permit the residents of such district to use the hospital upon the same conditions, terms and rates as extended and established for residents of the municipality. This shall be accomplished by fixing a levy of taxes upon all property in the school district, or any determined portion thereof, such levy to be commensurate with any levy made by the municipality for the purposes of payment of any bonded indebtedness incurred in the building of the hospital, the interest thereon and any costs of operation and maintenance.

**SECTION 44‑7‑1090.** Petition for agreement with adjoining district.

If the residents of any such school district, or portion thereof outside the city limits, desire to enter into such an agreement with the trustees of the hospital, they may petition the county legislative delegation of the county in which the district is located, setting forth the millage to be levied upon the property in the district and requesting the levy of such millage, such petition to be signed by a majority of the freeholders and also a majority of the qualified electors therein and to bear the approval of the board of trustees of the hospital.

**SECTION 44‑7‑1100.** Tax levy by adjoining county.

Upon presentation of such petition, the county legislative delegation of the county in which the district is located may, by resolution, direct the auditor of the county to levy annually the additional millage upon all the taxable property in the district for the benefit of the hospital named in the petition, in the same manner and at the same time as all other county taxes are levied, and further direct the treasurer of the county in which the district is located to collect such taxes for the benefit of the named hospital and to transfer the resulting fund to the treasurer of the city or town in which the hospital is located.

**SECTION 44‑7‑1110.** Cancellation of contributing agreement.

If at any time any such contributing agreement should become unsatisfactory, the hospital board of trustees may discontinue it at the end of any calendar year by giving prior notice to the county legislative delegation and the auditor of the county in which the school district is located, or a majority of the freeholders and a majority of the qualified electors in the district may petition the county legislative delegation to discontinue such agreement. In either such event the auditor of the county shall remove the special levy.

**SECTION 44‑7‑1120.** Annual audit.

The city or town council of any such municipality shall have an annual audit made of the records of the hospital, the moneys received and the expenditure thereof, such audit to be filed in the clerk’s office and to become a part of the permanent records of such city or town.

**SECTION 44‑7‑1130.** Taxes shall pay deficits of hospital.

The council of any municipality building and operating a hospital under the terms of this article may levy annually upon all of the taxable property within the limits thereof a sufficient tax to supplement the costs of operation and maintenance of the hospital, should the hospital during any annual period fail to be self‑supporting, such tax to be levied and collected in the same manner and at the same time as all other municipal taxes are levied and collected.

**SECTION 44‑7‑1140.** Article is cumulative.

The powers conferred in this article are cumulative and in addition to all existing laws authorizing the building, operation and maintenance of hospitals, and none of them are hereby amended or repealed, it being the intent hereof to provide additional authority and powers and alternative methods and procedure for the establishment, operation and maintenance of hospitals as herein directed.

ARTICLE 9.

HOSPITAL COMMISSIONS IN MUNICIPALITIES OF 5,000 TO 10,000

**SECTION 44‑7‑1310.** Authorization for and trustees of city hospital commission.

The city council of any municipal corporation in the State containing more than five thousand inhabitants and less than ten thousand inhabitants, which has acquired, constructed or caused to be constructed a hospital, may establish a city hospital commission to operate and manage such hospital, may appoint or elect the trustees thereof and may fix by the ordinance establishing the commission the number of trustees thereof to be elected or appointed by the city council and their respective terms of office. In so doing it shall so provide that the original trustees when appointed shall serve originally for varying terms in office so that the term or terms of office of the several members of the commission may not expire at the same time. And upon the expiration of the term or terms of office of the trustees originally appointed the city council may appoint or elect their successors. And in the event of any vacancy by death, resignation or otherwise in the membership of any such commission the vacancy or vacancies may be filled by election or appointed by the city council for the unexpired term.

**SECTION 44‑7‑1320.** Officers, minutes and annual reports.

Any such commission shall select its chairman and secretary. Minutes of all its meetings shall be kept and be subject to the inspection of the city council or its representatives, and it shall submit reports to the city council annually or oftener if desired.

**SECTION 44‑7‑1330.** Powers and duties.

Any such city hospital commission shall have the control and management of the hospital and may select the employees and officers of the hospital, including its medical and surgical staff, and may fix the charges and fees to be paid for the services of the hospital and adopt such rules and regulations concerning its management as it may see fit.

**SECTION 44‑7‑1340.** Financial affairs.

Any such commission may provide for such compensation as may be necessary or advisable for the payment of any of its employees and officers in the conduct and management of the hospital, together with the expenses of the hospital, with authority to make such repairs or alterations from time to time as may be necessary and to construct or cause to be constructed or erected such additional buildings as may be necessary or advisable, all of which shall be paid for solely from the income of the hospital, which the commission may use for such purposes. The commission may accept gifts or legacies for the benefit of the hospital. But the commission may not bind the city to any obligation for the payment of any expenses in connection with the management, operation or construction of the hospital or for repairs, new buildings, construction or otherwise without first obtaining the consent and approval of the city council and shall incur no obligations that shall bind the city or city council in any way without first obtaining the consent thereto of such city council.

ARTICLE 11.

HOSPITAL REVENUE BOND ACT

**SECTION 44‑7‑1410.** Short title.

This article may be referred to and cited as the “Hospital Revenue Bond Act.”

**SECTION 44‑7‑1420.** Declaration of purpose.

It is hereby declared to be the policy of the State of South Carolina to promote the public health and welfare by providing means for the financing, refinancing, acquiring, enlarging, improving, constructing, equipping, and providing of hospital facilities to serve the people of the State and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

The General Assembly hereby finds and declares that:

(1) There is a need to overcome existing and anticipated physical and technical obsolescence of existing hospital facilities, to provide additional modern and efficient hospital facilities in the State and to provide assistance to the extent herein provided in order that such hospital facilities may be made available at the lowest possible expense.

(2) Unless measures are adopted to alleviate such need, the shortage of such facilities will become increasingly more urgent and serious; and

(3) In order to meet such shortage and thereby promote the public health and welfare of the people of the State, it is necessary that assistance be afforded in the providing of adequate, modern and efficient hospital facilities in the State so that health and hospital care and services may be expanded, improved and fostered to the fullest extent practicable at the lowest possible expense.

(4) It is the purpose of this article to empower the governing bodies of the several counties of the State under the terms and conditions of this article to finance the acquisition, enlargement, improvement, construction, equipping and providing of such hospital facilities to the end that the public health and welfare of the people of the State will be promoted at the least possible expense to those utilizing such hospital facilities so provided. In this connection, such governing bodies shall function under the guidance of the State Budget and Control Board of South Carolina and the Department of Health and Environmental Control and shall be vested with all powers necessary to enable them to accomplish the purposes of this article, which powers shall be in all respects exercised for the benefits of the inhabitants of the State and to promote the public health and welfare of its citizens.

It is specifically found and declared that all action taken by any county in carrying out the purposes of this article will perform an essential governmental function.

**SECTION 44‑7‑1430.** Definitions.

In this article, the following terms have the following meanings, unless the context otherwise requires:

(a) “Authorizing issuer” means the county issuing bonds pursuant to Section 44‑7‑1640.

(b) “Bonds” or “revenue bonds” include notes, bonds, refunding bonds, and other obligations authorized to be issued by this article.

(c) “Cost” as applied to hospital facilities means the cost of construction or acquisition; the cost of acquisition of property, including rights in land and other property, both real and personal and improved and unimproved; the cost of demolishing, removing, or relocating any buildings or structures on land so acquired, including the cost of acquiring any land to which the buildings or structures may be moved or relocated; the cost of all machinery, fixed and movable equipment and furnishings; financing charges, interest prior to and during construction and, if considered advisable by the State Board, for a period of not exceeding two years after the estimated date of completion of construction; the cost of engineering and architectural surveys, plans, and specifications; the cost of consulting and legal services and other expenses necessary or incidental to determining the feasibility or practicability of constructing or acquiring the hospital facilities; the cost of administrative and other expenses necessary or incidental to the construction or acquisition of the hospital facilities, and the financing of the construction or acquisition of the hospital facilities, including reasonable provision for working capital and a reserve for debt service; the cost of issuing bonds under this article, including legal fees and printing costs, and the cost of reimbursing any hospital agency any amounts expended for items that would have been proper costs of the hospital facilities within the meaning of this definition had the expenditure been made directly by the county board.

“Cost” also includes monies necessary to refinance or to refund any indebtedness of any “hospital agency” or any “public agency” incurred at any time for the purpose of providing hospital facilities.

(d) “County board” means each of the governing bodies of the counties of the State, and in the event any hospital facilities are located in more than one county, the term “county board” relates to the governing bodies of the counties in which the hospital facilities are located.

(e) “Hospital agency” means any person, firm, corporation, association, or partnership whether for profit or not for profit, existing or created at any time and empowered to acquire, by lease or otherwise, operate, and maintain hospital facilities.

(f) “Hospital facilities” means any one or more buildings, structures, additions, extensions, improvements, or other facilities, whether or not located on the same or contiguous site or sites (and including existing facilities), machinery, equipment, furnishings, or other real or personal property suitable for health care or medical care; and includes, without limitation, general hospitals, chronic diseases, maternity, mental, tuberculosis, and other specialized hospitals; facilities for emergency care, intensive care, and self‑care; clinics and outpatient facilities; clinical, pathological, and other laboratories, hospital research facilities; extended care facilities; skilled nursing home facilities; nursing home facilities; retirement home facilities; laundries; residences and training facilities for nurses, interns, physicians, and other staff members; food preparation and food service facilities; administration buildings, central service, and other administrative facilities; communication, computer, and other electronic facilities; fire‑fighting facilities; pharmaceutical and recreational facilities; storage space, X‑ray, laser, radiotherapy, and other apparatus and equipment; dispensaries; utilities; vehicular parking lots and garages; office facilities for hospital staff members and physicians; and including, without limiting any of the foregoing, any other health and hospital facilities customarily under the jurisdiction of or provided by hospitals, or any combination of the foregoing, with all necessary, convenient, or related interests in land, machinery, apparatus, appliances, equipment, furnishings, appurtenances, site preparation, landscaping, and physical amenities.

(g) “Intergovernmental loan agreement” means a loan agreement made by and between the authorizing issuer, as one party, and the project county, as the other party, to which bond proceeds are loaned to finance hospital facilities located in the jurisdiction of the project county and whereby the project county agrees to pay to the authorizing issuer or any assignee the sums required to meet the payment of the principal, interest, and redemption premium, if any, on any bonds, the proceeds of which will be used to finance hospital facilities in the jurisdiction of the project county.

(h) “Loan agreement” means any agreement made by and between any county board as one party and any hospital agency or public agency as the other party or parties by which the hospital agency or public agency agrees to pay to a county or to any assignee of the county the sums required to meet the payment of the principal, interest, and redemption premium, if any, on any bonds. If the county is also the public agency and the hospital facilities are under the jurisdiction of the county board, the loan agreement may be in the form of a resolution adopted by the county board.

(i) “Project county” means the county, other than the authorizing issuer, to which proceeds of the bonds are loaned to finance hospital facilities.

(j) “Public agency” means any county, city, town, or hospital district of the State existing or created at any time pursuant to the laws of the State authorized to acquire, by lease or otherwise, operate, and maintain hospital facilities.

(k) “State Board” means the State Budget and Control Board of South Carolina.

(l) “Trust indenture” means any agreement pursuant to which any bonds are issued. A trust indenture may also create a mortgage lien or security interest, or a mortgage lien and security interest, to secure bonds issued under the indenture.

(m) “Subsidiary loan agreement” means a loan agreement between a county and any hospital agency or public agency and includes an agreement between the authorizing issuer and a hospital agency or public agency with respect to hospital facilities located in the jurisdiction of the authorizing issuer.

**SECTION 44‑7‑1440.** Powers of counties.

Subject to obtaining approvals from the State Board required by Section 44‑7‑1590 and from the Department of Health and Environmental Control, required by Section 44‑7‑1490, the several counties of the State functioning through their respective county boards shall be empowered:

(1) To enter into agreements with any hospital agency or public agency necessary or incidental to the issuance of bonds.

(2) To acquire and in connection with such acquisition, to enlarge or expand, whether by purchase, gift or lease, hospital facilities and in the case of hospital facilities located in more than one county, the facilities may be acquired jointly by the county boards of the counties wherein such hospital facilities shall be located.

(3) To enter into loan agreements with any hospital agency or public agency, prescribing the payments to be made by the hospital agency or public agency to the county or its assignee to meet the payments that shall become due on bonds, including terms and conditions relative to the acquisition and use of hospital facilities and the issuance of bonds.

(4) To issue bonds for the purpose of defraying the cost of providing hospital facilities and to secure the payment of such bonds as hereafter provided.

(5) To receive and accept from any public agency loans or grants for or in aid of the construction of hospital facilities or any portion thereof, and to receive and accept loans, grants, aid or contributions from any source of either money, property, labor or other things of value to be held, used and applied only for the purposes for which such loans, grants, aid and contributions are made.

(6) To mortgage any hospital facilities and the site thereof for the benefits of the holders of bonds issued to finance such hospital facilities.

(7) To issue bonds to refinance or to refund outstanding obligations, mortgages or advances heretofore or hereafter issued, made or given by a hospital or public agency for the cost of hospital facilities.

(8) To charge to each hospital and public agency utilizing this article any administrative costs and expenses incurred in the exercise of the powers and duties conferred by this article.

(9) To do all things necessary or convenient to carry out the purposes of this article.

(10) To make and execute contracts and agreements necessary or incidental to the exercise of its powers and duties under this article, with persons, firms, corporations, governmental agencies and others.

(11) To make the proceeds of any bonds available by way of a loan to a hospital or public agency pursuant to a loan agreement.

(12) To acquire by purchase, lease, gift or otherwise, or to obtain options for the acquisition of, existing hospital facilities and any property, real or personal, improved or unimproved, including interests in land in fee or less than fee for any hospital facilities, upon such terms and at such cost as shall be agreed upon by the owner and the county board.

(13) To arrange or contract with any county, city, town or other political subdivision or instrumentality of the State for the opening or closing of streets or for the furnishing of utility or other services to any hospital facilities.

(14) To enter into lease agreements with any hospital or public agency whereby the county board leases hospital facilities to such hospital or public agency, including hospital facilities located in more than one county.

(15) To pledge or assign any money, rents, charges, fees or other revenues, including any proceeds of insurance or condemnation awards, pursuant to any loan agreement to the payment of the bonds issued pursuant to such loan agreement.

**SECTION 44‑7‑1450.** Issuance, execution and terms of bonds; bond anticipation notes.

All bonds issued by a county board under authority of this article shall be limited obligations of its county, the principal, interest and redemption premiums, if any, on which shall be payable solely out of the moneys to be derived by such county pursuant to the loan agreement relating to the hospital facilities which the bonds are issued to finance (or refinance). Bonds and interest coupons issued under authority of this article shall never constitute an indebtedness of such county within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the county or a charge against its general credit or taxing powers, and such fact shall be plainly stated on the face of each bond. Such bonds may be executed and delivered at any time as a single issue or from time to time as several issues, may be in such form and denominations, may be of such tenor, may be in registered or bearer form either as to principal or interest or both, may be payable in such installments and at such time or times not exceeding forty years from their date, may be subject to such terms of redemption, may be payable at such place or places, may have such conversion provision, may bear interest at such rate or rates (without regard to the limitations of Section 11‑9‑350 which shall not apply to any bonds) as the county board shall provide without limitation, may be payable at such place or places and evidenced in such manner, and may contain such provisions not inconsistent herewith, all of which shall be provided in the proceedings of the county board authorizing the bonds.

Any bonds issued under the authority of this article may be sold at public or private sale at such price and in such manner and from time to time as may be determined by the county board to be most advantageous, and the county board may pay, as a part of the cost of financing (or refinancing) any hospital facilities and out of the bond proceeds, all expenses, premiums and commissions which the county board may deem necessary or advantageous in connection with the authorization, sale and issuance thereof. All bonds issued under the authority of this article, except registered bonds which are registered otherwise than to bearer, and all interest coupons appurtenant thereto shall be construed to be negotiable instruments, despite the fact that they are payable solely from a specified source. The proceedings authorizing the issuance of bonds may provide for the issuance, in the future, of further bonds on a parity with those initially issued.

Pending the issuance of bonds, bond anticipation notes may be issued, and to the end that a vehicle be provided therefor, the provisions of Sections 11‑17‑10 to 11‑17‑110, as now or hereafter amended, shall be applicable to such bond anticipatory borrowing.

**SECTION 44‑7‑1460.** Pledge of revenues to secure bonds; proceedings authorizing bonds.

The principal, interest and premium, if any, on any bonds shall be secured by a pledge of the revenues payable to the county pursuant to the loan agreement relating to the hospital facilities financed out of the bond proceeds and any bonds may be issued pursuant to a trust indenture, which may constitute a mortgage lien.

The proceedings under which bonds are authorized to be issued or any loan agreement or trust indenture may contain any agreements and provisions customarily contained in instruments providing for the issuance of, or securing bonds, including, without limiting the generality of the foregoing, provisions respecting the fixing and collection of the sums payable by the hospital agency or public agency to the county pursuant to the loan agreement, the maintenance and insurance of the hospital facilities, the creation and maintenance of special funds by the hospital agency or public agency, and the rights and remedies available in the event of default to the bondholders or to the trustee under such trust indenture, all as the county board shall deem advisable. Provided, however, that in making such agreement or provisions no county shall have the power to obligate itself except with respect to any security pledged, mortgaged or otherwise made available for the securing of the bonds, and the application of the revenues from the loan agreement, and shall not have the power to incur a pecuniary liability or a charge upon its general credit or against its taxing powers.

The proceedings authorizing any bonds hereunder and any trust indenture in connection therewith, may provide that in the event of default in payment of the principal of or the interest on such bonds or in the performance of any agreement contained in such proceedings or trust indenture, such payment and performance may be enforced by mandamus or by the appointment of a receiver in equity with such powers as may be necessary to enforce the obligations thereof. No breach of any such agreement shall impose any pecuniary liability upon the county or any charge upon its general credit or against its taxing power.

The trustee or trustees under any trust indenture, or any depository specified by such trust indenture, may be such person or corporations as the county board shall designate, notwithstanding that they may be nonresidents of South Carolina or incorporated under the laws of the United States or the laws of other states of the United States.

**SECTION 44‑7‑1470.** Contracts for construction of hospital facilities.

Contracts for the construction of any hospital facilities may be let on such terms and under such conditions as the county board and the hospital agency or public agency may agree upon and may be let with or without advertisement or call for bids.

**SECTION 44‑7‑1480.** Criteria to be considered by county boards in undertaking hospital facilities.

In undertaking any hospital facilities pursuant to this article, the county board shall be guided by and shall observe the following criteria and requirements; provided, that the determination of the county board as to its compliance with such criteria and requirements shall be final and conclusive, subject only to challenge as provided in Section 44‑7‑1590:

(a) There is a need for the hospital facilities in the area in which the hospital facilities are to be located.

(b) No hospital facilities shall be provided for any hospital agency or public agency which is not financially responsible and capable of fulfilling its obligations under the loan agreement, including the obligations to make the payments required thereunder, to operate, repair and maintain at its own expense the hospital facilities and to discharge such other responsibilities as may be imposed under the loan agreement.

(c) Adequate provision shall be made for the payment of the principal of and the interest on the bonds and any necessary reserves therefor and for the operation, repair and maintenance of the hospital facilities at the expense of the hospital agency or public agency.

(d) The public facilities, including utilities, and public services necessary for the hospital facilities will be made available.

**SECTION 44‑7‑1490.** Approval of construction or other work on facilities required.

The county board shall not undertake the acquisition, construction, expansion, equipping or financing of any hospital facilities unless and until such approval of the Department of Health and Environmental Control for such undertaking as may be required under Article 3, Chapter 7, Title 44, shall have been obtained.

**SECTION 44‑7‑1500.** Public agencies authorized to enter into loan agreements with county board.

For the purposes of this article, public agencies are authorized and empowered to enter into loan agreements (including agreements of lease) with any county board to facilitate the financing, acquiring, constructing, improving, enlarging, expanding, equipping, providing, operating and maintaining of hospital facilities and pursuant to any such loan agreement to operate, repair and maintain any hospital facilities and to pay the cost thereof from any funds available for such purpose and the payments required therefor.

**SECTION 44‑7‑1510.** Investigations, studies and the like by county board.

The county board is authorized to make or cause to be made such investigations, surveys, studies, reports and reviews as in its judgment are necessary and desirable to determine the feasibility and desirability of the hospital facilities, the extent to which the hospital facilities will contribute to the health and welfare of the area in which they will be located, the powers, experience, background, financial condition, record of service and capability of the management of the hospital agency or public agency involved, the extent to which the hospital facilities otherwise conform to the criteria and requirements of this article, and such other factors as may be deemed relevant or convenient in carrying out the purposes of this article.

**SECTION 44‑7‑1520.** Provisions in loan agreement for completion of facilities, payments and additional bonds.

Every loan agreement shall contain a covenant obligating the hospital agency or public agency to effect the completion of the hospital facilities if the proceeds of the bonds prove insufficient, and each such loan agreement shall obligate the hospital agency or public agency to make payments which shall be sufficient (a) to pay the principal of and interest on the bonds issued for such hospital facilities, (b) to build up and maintain any reserves deemed by the county board to be advisable in connection therewith, and (c) to pay the costs of maintaining the hospital facilities in good repair and the cost of keeping it properly insured. The loan agreement may provide for the issuance of additional parity bonds as required in order to complete the hospital facility.

**SECTION 44‑7‑1530.** Provision in loan agreement for payments in lieu of taxes.

Every loan agreement made with a hospital agency which shall be a corporation created for profit, pursuant to which a public agency shall have acquired title to any hospital facilities, shall contain a provision requiring such hospital agency to make payments to the county or counties, school district or school districts, and other political units wherein the hospital facilities shall be located, in lieu of taxes, in such amounts as would result from taxes levied on the hospital facilities by such county or counties, school district or school districts, and other political unit or units, if the hospital facilities were owned by the hospital agency which is a corporation for profit, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the hospital agency if it were the owner of the hospital facilities.

**SECTION 44‑7‑1540.** Additional provisions in loan agreement; guarantee agreement.

Any loan agreement may provide that the hospital facilities will be owned by the county and leased to the hospital agency or public agency, may provide the hospital agency or public agency with an option to purchase the hospital facility upon such terms and conditions as the county board and the hospital agency or public agency shall agree upon at a price which may be a nominal amount or less than the true value at the time of purchase, or may provide that the hospital facilities shall become the property of the hospital agency or public agency upon the acquisition thereof. In connection with any loan agreement, any county board may obtain and enter into a guaranty agreement whereby a party other than the hospital agency or public agency guarantees in whole or in part the obligations of the hospital agency or public agency under the loan agreement upon such terms and conditions as the county board may deem appropriate.

**SECTION 44‑7‑1550.** Use of proceeds from sale of bonds.

The proceeds from the sale of any bonds issued under authority of this article shall be applied only for the purpose for which the bonds were issued; provided, however, that any premium and accrued interest received in any such sale shall be applied to the payment of the principal of or the interest on the bonds sold; and provided, further, that if for any reason any portion of the proceeds shall not be needed for the purpose for which the bonds were issued, such unneeded portion of the proceeds shall be applied to the payment of the principal of or interest on the bonds.

**SECTION 44‑7‑1560.** Refunding of bonds.

(1) Any bonds issued hereunder and at any time outstanding may at any time and from time to time be refunded by the county, but only with the approval of the State Board being first obtained, by the issuance of its refunding bonds in such amounts as the county board may deem necessary but not exceeding an amount sufficient to refund the principal of the bonds to be refunded, together with any interest then or thereafter to become due (prior to the date when all outstanding bonds shall be paid) and any premium, expenses and commissions necessary to be paid in connection therewith.

(2) Any such refunding may be effected whether the bonds to be refunded have matured or shall thereafter mature, either by sale of the refunding bonds and the application of the proceeds for the payment of the bonds to be refunded, or by exchange of the refunding bonds for the bonds to be refunded thereby; provided, that the holders of any bonds to be refunded shall not be compelled without their consent to surrender their bonds for payment or exchange prior to the date on which they are payable, or, if they are called for redemption, prior to the date on which they are by their terms subject to redemption.

(3) Except as provided in paragraph (4) of this section, all refunding bonds issued under the authority of this article shall be payable in the same manner and under the same terms and conditions as are herein provided for the issuance of bonds. The power to issue refunding bonds herein granted includes the power to effect a refunding in advance of the maturity or earliest redemption date of the bonds being refunded; provided, that no refunding shall be effected more than eight years prior to the maturity or earliest redemption date of the bonds being refunded.

(4) Any loan agreement made for the purpose of securing refunding bonds may provide:

(a) That any leasehold estate granted thereby shall become effective as of the occasion of the termination of any existing leasehold estate;

(b) That prior to the time when lease rental payments become due, the then holder of any leasehold estate created by the loan agreement securing the outstanding bonds shall be unconditionally obligated to pay, as and when they become due and payable, amounts sufficient to pay the principal, interest and redemption premiums, if any, on the refunding bonds;

(c) For an irrevocable agreement on the part of the county to call for redemption on the earliest available redemption date all of the bonds to be refunded which do not mature prior to such date; and

(d) That the proceeds derived from the sale of the refunding bonds and any other funds that may be required shall be deposited forthwith in a trust account and invested in direct obligations of, or obligations guaranteed by, the United States of America, the corpus of which shall be applied to the payment of the principal, interest and redemption premium, if any, of the bonds being refunded. Any agreement between the county and the trustee of the trust account established pursuant to this paragraph may prescribe that income earned from investments of the corpus thereof be used or applied for any of the following purposes: (i) to the payment of the interest on the outstanding bonds; (ii) to the payment of interest on the refunding bonds until the redemption of the outstanding bonds; (iii) partially in accordance with (i) hereof and partially in accordance with (ii) hereof; and (iv) added in whole or in part to the corpus (and used in accordance with the provisions hereof relating to the use of corpus), with the balance of income, if any, being applied in accordance with any of (i), (ii) or (iii) hereof.

(5) In the exercise of the powers herein granted to effect advance refundings, any county board may, but shall not be required to, avail itself of any of the provisions of the Advanced Refunding Act [Sections 11‑21‑10 to 11‑21‑80].

**SECTION 44‑7‑1570.** Bonds as legal investments.

It shall be lawful for all executors, administrators, guardians, committees and other fiduciaries to invest any moneys in their hands in bonds issued under the provisions of this article.

**SECTION 44‑7‑1580.** Exemption from taxation.

The bonds authorized by this article and the income therefrom, all trust indentures and mortgages executed as security therefor, all loan agreements (including agreements of lease) made pursuant to the provisions hereof, and the revenues derived from any loan agreement thereof shall be exempt from all taxation in the State of South Carolina except for inheritance, estate or transfer taxes; and all trust indentures, mortgages and loan agreements made pursuant to the provisions of this article shall be exempt from South Carolina stamp and transfer taxes.

**SECTION 44‑7‑1590.** Procedure for approval by State Board of issuance of bonds.

(A) No bonds may be issued pursuant to the provisions of this article until the proposal of the county board to issue the bonds receives the approval of the state board. Whenever a county board proposes to issue bonds pursuant to the provisions of this article, it shall file its petition with the state board setting forth:

(1) a brief description of the hospital facilities proposed to be undertaken and the refinancing or refunding proposed;

(2) a statement setting forth the action taken by the Department of Health and Environmental Control in connection with the hospital facilities;

(3) a reasonable estimate of the cost of hospital facilities;

(4) a general summary of the terms and conditions of the proposed loan agreement; and

(5) such other information as the state board requires.

(B) Upon the filing of the petition the state board, as soon as practicable, shall conduct the review as it considers advisable, and if it finds that the proposal of the governing board is intended to promote the purposes of this article, it is authorized to approve the proposal. At any time following the approval, the county board may proceed with the issuance of the bonds in accordance with the proposal as approved by the state board. Notice of the approval of the proposal by the state board must be published at least once by the state board in a newspaper having general circulation in the county where the hospital facilities are or are to be located. The notice must set forth the action taken by the county board pursuant to Section 44‑7‑1480 and the action taken by the Department of Health and Environmental Control pursuant to Section 44‑7‑1490.

(C) Any interested party, within twenty days after the date of the publication of the notice, but not afterwards, may challenge the action so taken by the state board, the county board, or the Department of Health and Environmental Control, by action de novo in the court of common pleas in any county where the hospital facilities are to be located.

**SECTION 44‑7‑1600.** Provisions which resolution and loan agreement may contain; liability on bonds.

Any resolution authorizing or trust indenture providing for any bonds or any issue of bonds and any loan agreement may contain provisions, which shall be part of the contract with the holders of the bonds to be authorized, as to:

(1) Pledging all or any part of the revenues of any hospital facilities financed in whole or in part out of the proceeds of such bonds including revenues to be derived from a leasing of such hospital facilities, to secure the payment of the bonds issued to defray the cost, or any portion of the cost, of such hospital facilities; (2) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues; (3) the setting aside of reserves or sinking funds, and the regulation and disposition thereof; (4) limitations on the right of the county board or its agent to restrict and regulate the use of the hospital facilities; (5) limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied; (6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds; (7) the procedure, if any, by which the terms of any resolution, loan agreement or trust indenture may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given; (8) defining the acts of omissions to act which shall constitute a default in the duties of the county board to holders of its obligations and providing the rights and remedies of such holders in the event of a default; and (9) the mortgaging of any hospital facilities and the site thereof for the purpose of securing the bondholders.

Neither the members of any county board nor any person executing any bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

**SECTION 44‑7‑1610.** Revenues deemed trust funds.

All moneys received pursuant to the authority of this article, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this article and in any resolution or trust indenture pursuant hereto. Any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this article and the resolution authorizing the bonds of any issue or any trust indenture.

**SECTION 44‑7‑1620.** Enforcement of rights by bondholders and trustees.

Any holder of revenue bonds issued under the provisions of this article or any of the coupons appertaining thereto, and the trustee under any trust indenture, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any such trust indenture securing, such bonds, may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce any and all rights under the laws of the State or granted hereunder or under such resolution or trust indenture, and may enforce and compel the performance of all duties required by this article or by such resolution or trust indenture to be performed by any county board or by any officer, employee or agent.

**SECTION 44‑7‑1630.** Provision for daily charge on persons using hospital.

Any loan agreement may contain a provision whereby the hospital agency or public agency agrees to impose a daily charge upon persons using the hospital facilities financed out of the bond proceeds (or any other hospital facilities owned or operated by the hospital agency or public agency) in an amount sufficient to produce revenues adequate to discharge the obligation of the hospital agency or public agency under the loan agreement; and further, that in the event the hospital agency or public agency shall fail to impose such daily room charge at the request of the county or its assignee, then and in that event the county or its assignee may proceed to compel by specific performance the imposition and collection of such a daily room charge and the use of the revenues derived therefrom to discharge the obligations of the hospital agency or public agency under the loan agreement.

**SECTION 44‑7‑1640.** Authorization to issue bonds with proceeds to be loaned to more than one hospital agency or public agency; procedures; bonds to be limited obligations.

(A) Notwithstanding any other provision of this article, the authorization of an issue of bonds the proceeds of which are loaned to more than one hospital agency or public agency to construct or acquire hospital facilities, whether or not the hospital facilities are located or will be located in the jurisdiction of one or more counties, may be governed by Sections 44‑7‑1640 through 44‑7‑1720 of this article. The governing body of the authorizing issuer may authorize an issue of bonds for hospital facilities located outside the jurisdiction of the authorizing issuer, provided, hospital facilities will be simultaneously financed under this article in the jurisdiction of the authorizing issuer pursuant to a subsidiary loan agreement. However, no proceeds may be used to acquire or construct hospital facilities in any project county unless an intergovernmental loan agreement is executed between the authorizing issuer and the project county and unless the county board of the project county consents to the intergovernmental loan agreement.

(B) All bonds issued by an authorizing issuer under authority of this article are limited obligations of the authorizing issuer and the project county. The principal, interest, and redemption premiums, if any, on the bonds are payable solely out of the monies to be derived by the authorizing issuer pursuant to one or more intergovernmental loan agreements between the authorizing issuer and the project county or subsidiary loan agreements between the authorizing issuer and a hospital agency or public agency relating to the hospital facilities in the jurisdiction of the authorizing issuer which the bonds are issued to finance or refinance or a subsidiary loan agreement between the project county and the hospital agency or public agency within the jurisdiction of the project county. Bonds and interest coupons issued under authority of this article do not constitute an indebtedness of the authorizing issuer or project county within the meaning of any state constitutional provision or statutory limitation and do not constitute nor give rise to a pecuniary liability of the authorizing issuer or project county or a charge against their general credit or taxing powers, and this fact must be plainly stated on the face of each bond.

**SECTION 44‑7‑1650.** Intergovernmental loan agreements.

The authorizing issuer and the project county are authorized and empowered to enter into an intergovernmental loan agreement to facilitate the financing of hospital facilities. An intergovernmental loan agreement obligates the project county to make payments to or on account of the authorizing issuer from payments received under one or more subsidiary loan agreements. The intergovernmental loan agreement is a limited obligation of the project county payable solely from the revenues derived under one or more subsidiary loan agreements. The intergovernmental loan agreement does not constitute an indebtedness of the project county within the meaning of any state constitutional provision or statutory limitation and does not constitute nor give rise to a pecuniary liability of the project county or a charge against its general credit or taxing powers, and this fact must be plainly stated in the intergovernmental loan agreement.

**SECTION 44‑7‑1660.** Subsidiary loan agreements.

(A) Public agencies and hospital agencies are empowered and authorized to enter into subsidiary loan agreements. Prior to entering into a subsidiary loan agreement pursuant to this article, the county board of the project county or of the authorizing issuer, if the subsidiary loan agreement is between the authorizing issuer and a public agency or hospital agency located in its jurisdiction, shall comply with the following criteria and requirements with respect to hospital facilities located in its jurisdiction; however, the determination of the county board as to its compliance with the criteria and requirements is final and conclusive, subject only to challenge as provided in Section 44‑7‑1690:

(1) There is a need for the hospital facilities in the area in which the hospital facilities are to be located.

(2) No hospital facilities may be provided for any hospital agency or public agency which is not financially responsible and capable of fulfilling its obligations under the subsidiary loan agreement, including the obligations to make the payments required under the agreement, to operate, repair, and maintain at its own expense the hospital facilities, and to discharge other responsibilities as may be imposed under the subsidiary loan agreement.

(3) Adequate provision must be made for the payment of the principal of and the interest on the bonds and any necessary reserves for the payment and for the operation, repair, and maintenance of the hospital facilities at the expense of the hospital agency or public agency.

(4) The public facilities, including utilities, and public services necessary for the hospital facilities must be made available.

(5) The county board has given due consideration, upon the advice of counsel, to the impact, if any, of the bonds on the county’s present or future financings.

(B) The county board may not enter into a subsidiary loan agreement to finance the acquisition, construction, expansion, equipping, or financing of any hospital facilities until approval of the agreement by the South Carolina Department of Health and Environmental Control as may be required under Article 3 of Chapter 7 of Title 44.

**SECTION 44‑7‑1670.** Authorization for public agencies to enter into subsidiary loan agreements with county board; county not to obligate itself.

For the purposes of this article, public agencies may enter into one or more subsidiary loan agreements with a county board to facilitate the financing, acquiring, constructing, improving, enlarging, expanding, equipping, providing, operating, and maintaining of hospital facilities located within the jurisdiction of the county board and pursuant to the subsidiary loan agreement may operate, repair, and maintain hospital facilities and pay the costs of the operation, repair, and maintenance from any funds available for the purpose and the payments required for the operation, repair, and maintenance. However, in making the agreement no county may obligate itself except with respect to any security pledged, mortgaged, or otherwise made available for the securing of the bonds and the application of the revenues from the subsidiary loan agreement nor incur a pecuniary liability or a charge against its general credit or its taxing powers.

**SECTION 44‑7‑1680.** Contents of subsidiary loan agreements.

The subsidiary loan agreement must contain the covenants stated in Section 44‑7‑1520 and may contain other terms and conditions permitted under this article for loan agreements.

**SECTION 44‑7‑1690.** Notice of approval of loan agreement; filing requirements; challenge of approval of loan agreements.

Notice of the approval by a county board of any intergovernmental loan agreement or subsidiary loan agreement must be published at least once in a newspaper having general circulation in each county by the respective county board prior to the execution of such agreements. With respect to a subsidiary loan agreement, the notice must set forth the action taken by the county board and the South Carolina Department of Health and Environmental Control pursuant to Section 44‑7‑1660. The intergovernmental loan agreement and subsidiary loan agreement must be filed with the clerk of court of the authorizing issuer and the clerk of court of the project county prior to the issuance of the bonds authorized thereby.

Any interested party may, within twenty days after the date of the publication of the notice, challenge the action taken by the county board of the authorizing issuer or the project county in approving the intergovernmental loan agreement by action de novo in the court of common pleas of the project county or the authorizing issuer.

Any interested party may, within twenty days after the date of the publication of the notice, challenge the action taken by the county board in approving the subsidiary loan agreement or the Department of Health and Environmental Control with respect to the hospital facilities by action de novo in the court of common pleas in any county where the hospital facilities are to be located.

**SECTION 44‑7‑1700.** Personal liability or accountability with respect to issuance of bonds.

Neither the members of the county board of the authorizing issuer or the project county nor any person executing any bonds, the intergovernmental loan agreement, or the subsidiary loan agreement is liable personally on the bonds nor subject to any personal liability or accountability by reason of the issuance of the bonds.

**SECTION 44‑7‑1710.** Application of provisions of article to bonds whose proceeds are to be loaned to more than one hospital agency or public agency; authority of county board of authorizing issuer.

All of the provisions of this article, except item (b) of Section 44‑7‑1590, are applicable to the bonds authorized by Section 44‑7‑1640. The county board of the authorizing issuer may, on behalf of any project county which may subsequently be a party to an intergovernmental loan agreement, undertake all actions required by the county board under this article with respect to the issuance of the bonds and adoption of the petition to the State Board required by Section 44‑7‑1590.

**SECTION 44‑7‑1720.** Article is cumulative; procedure for county board to carry out authorization granted by article.

This article must not be construed as a restriction or limitation upon any powers which a county might otherwise have under any laws of this State but must be construed as cumulative. The authorization granted in this article may be carried out by a county board acting at a regular or special meeting and without publication of the proceedings by a resolution to become effective upon its adoption at the meeting at which it is presented, notwithstanding any restriction, limitation, or other procedure, imposed upon the county board by any laws of this State.

ARTICLE 13.

PEE DEE REGIONAL HEALTH SERVICES DISTRICT

**SECTION 44‑7‑1810.** Creation of Pee Dee Regional Health Services District.

There is hereby created a body politic and corporate to be known as the Pee Dee Regional Health Services District composed of the counties of Chesterfield, Darlington, Dillon, Florence, Marion and Marlboro (hereinafter called the district) with an office in or near the city of Florence in Florence County as determined by the board.

**SECTION 44‑7‑1820.** Membership of board of directors.

The corporate powers and duties of the district shall be exercised and performed by a board of directors (hereinafter called the board) to be composed of four members from Florence County, three members from Darlington County, two members each from Chesterfield, Dillon, Marion and Marlboro Counties appointed by the Governor upon recommendation of the legislative delegations of the respective counties, including resident Senators if any.

**SECTION 44‑7‑1830.** Terms of office of members of board.

The term of office of the members of the board shall be six years. The initial terms however shall be adjusted in the following manner:

At the first meeting of the board, the initial terms of the eighteen representatives from the six counties shall be determined by lot with six of the members to serve a term of six years, six of the members to serve a term of four years, and six of the members to serve a term of two years. The Secretary of State shall be notified as to the terms established by lot.

The term of each member shall expire on the January first nearest to the end of the term of years for which he is appointed or as otherwise provided in the foregoing provisions; provided, that each member shall serve until his successor is appointed and qualified.

**SECTION 44‑7‑1840.** Meetings of board.

The board shall meet upon the call of its chairman, but not less frequently than one time in each three calendar month period.

**SECTION 44‑7‑1850.** Officers of board; compensation of members.

The board, at its initial meeting, shall elect one of its members as chairman, one as vice‑chairman, and one as secretary.

The officers shall serve for a term of two years and until their successors are elected and qualify. Members of the board shall serve without compensation, but shall be reimbursed for actual expenses incurred while in the performance of authorized duties.

**SECTION 44‑7‑1860.** Powers and duties of board.

The board shall have the following powers and duties:

(1) Have perpetual succession.

(2) Adopt, use and alter a corporate seal.

(3) Make bylaws for the management and regulation of its affairs, and define a quorum for its meetings.

(4)(a) To acquire, by purchase or otherwise, any real property for any authorized use;

(b) To acquire by purchase or otherwise personal property deemed by it to be necessary and to dispose of such property when in its judgment, it is in the best interest of the district.

(5) Deposit and withdraw moneys realized from the sale of revenue bonds issued pursuant to provisions herein, and to expend the moneys in the manner prescribed by the proceedings authorizing the issuance of the revenue bonds.

(6) Deposit moneys derived from revenue producing facilities or services in any bank or trust company having an office within the district and withdraw the moneys for district purposes.

(7) Build, maintain and equip and operate regional health care facilities or any other hospital or health care related facility in its charge under such rules and regulations as the board may from time to time promulgate.

(8) Provide for the operation of its regional health care facilities or any other hospital or health care related facility in its charge.

(9) Exercise the power of eminent domain in accordance with Chapter 5, Title 28.

(10) Appoint personnel and prescribe the duties of such, fix their compensation and determine if and to what extent they shall be bonded for the faithful performance of their duties.

(11) Employ technical or professional services as may be desirable to the performance of the duties in the district.

(12) Apply for moneys from any source, public or private, made available by grant or loan or both for the purposes of the district. All Federal moneys accepted under such terms and conditions as are prescribed by the United States and as are consistent with State law, and all other moneys accepted under this section shall be accepted and expended by the board upon such terms and conditions as are prescribed by the State or other sources thereof.

(13) To take such action as may be necessary to carry out the purposes of this article.

**SECTION 44‑7‑1870.** Board may borrow money and make and issue bonds and notes.

The board may borrow money and make and issue negotiable bonds, notes and other evidences of indebtedness payable solely from the revenue derived from the operation or lease of any revenue‑producing facility in its charge. The sums borrowed shall be used to pay costs incident to the purposes of this article. Neither the faith nor credit of the district shall be pledged to the payment of the principal and interest of the obligations, and there shall be on the face of such obligation a statement, plainly worded, to that effect. Neither the members of the board nor any person signing the obligation shall be personally liable thereon. The board may:

(1) Provide that such bonds, notes or other evidence of indebtedness be payable, both as to principal and interest, from the net revenues derived from the district of any revenue‑producing facility, as such net revenues may be defined by the board;

(2) Covenant and agree that, upon its being adjudged in default as to the payment of any installment of principal and interest upon any obligation issued by it or in default as to the performance of any covenant or undertaking made by it, in such event the principal of all obligations of such issue may be declared forthwith due and payable, notwithstanding that any of them may not have then matured.

(3) Confer upon a corporate trustee the power to make disposition of the proceeds from all borrowing and also all revenues derived from the operation of the revenue‑producing facility whose revenues are pledged for the payment of such obligations, in accordance with and in the order of priority prescribed by resolutions adopted by the board as an incident to the issuance of any notes, bonds or other evidences of indebtedness;

(4) Dispose of its obligations at public or private sale and upon such terms and conditions as it shall approve;

(5) Covenant and agree that any cushion fund established to further secure the payment of principal and interest of any obligation shall be a fixed amount;

(6) Covenant and agree that it will not enter into any agreements with any person or with the State, the United States or any of their political subdivisions for the furnishing of free services where such services are ordinarily charged for;

(7) Prescribe the procedure, if any, by which the terms of the contract with the holders of its obligations may be amended, the number of obligations whose holders must consent thereto, and the manner in which such consent shall be given; and

(8) Prescribe the evidences of default and conditions upon which all or any obligation shall become or may be declared due before maturity, and the terms and conditions upon which such declaration and its consequences may be waived.

**SECTION 44‑7‑1880.** Disposition of revenues.

All revenues derived by the district from the operation of any revenue‑producing facility which may not be required to discharge covenants made by it in issuing bonds, notes or other obligations as authorized herein shall be held, disposed of or expended by the board for purposes germane to the functions and purposes of the district.

**SECTION 44‑7‑1890.** Property and income of district shall be exempt from taxes.

Property and income of the district shall be exempt from all taxes levied by the State, county or any municipality, political subdivision or agency thereof, direct or indirect.

**SECTION 44‑7‑1900.** Powers granted shall not be diminished while district shall be indebted.

So long as the district shall be indebted to any person on any bonds, notes or other obligations issued pursuant to the authority of this article, provisions of this article and the powers granted to the district shall not be in any way diminished, and the provisions of this article shall be deemed a part of the contract between the district and the holders of such obligations.

**SECTION 44‑7‑1910.** Cooperation with other agencies; appointment of ex officio directors.

In carrying out its committed function of planning, establishing, financing, developing, constructing, enlarging, improving, maintaining, equipping, operating, regulating, protecting, policing or in other ways assisting in the development of nonprofit hospitals and health care related facilities, the district board will work closely with individual hospitals and other health care institutions. Where the district is assisting an individual hospital or institution in any of the ways identified herein, the chairman or president of the board of trustees of the hospital or institution and one other member of the board of trustees designated by the respective board shall be named ex officio members of the board of directors of the district. These ex officio members shall serve without vote for the duration of the contractual relationships of the respective institutions with the district, or until a successor is named and qualifies.

The board of directors of the district shall have the right and privilege of appointing other ex officio directors for the purpose of availing itself of specialized talents, knowledge or counsel. The term of appointment shall be as determined by the board of directors at its discretion.

ARTICLE 15.

REGIONAL HEALTH SERVICES DISTRICTS

**SECTION 44‑7‑2010.** Authority for counties to form regional health services districts.

Any county or group of contiguous counties, any municipality or group of contiguous municipalities located within their boundaries, or any county or group thereof, and any municipalities located within their boundaries, may form a health services district by enactment of the governing body of the county or municipality or by joint enactment of the governing bodies of the counties and municipalities desiring to create a health services district pursuant to the provisions of the South Carolina Education Improvement Act of 1984. The enactment shall designate the name of the health services district and shall declare it to be a body politic and corporate within the counties and municipalities so designated.

**SECTION 44‑7‑2020.** Board of directors; appointment of members.

The corporate powers and duties of the district shall be exercised by a board of directors (board) of that number of members as the enactment directs to be filled by residents of the respective authorizing political subdivisions in the district, as provided in the enactment, so as to provide for reasonable representation from each county or municipality in the district. Board members shall be appointed by the governing body of the authorizing political subdivision as to the respective seats provided for the subdivision.

**SECTION 44‑7‑2030.** Members of board of directors; terms and vacancies.

The terms of office of the members of the board are for the length of time set forth in the enactment of the health services district but not to exceed six years. Initial terms must be established so that the terms of members of the board must expire on a staggered basis. Terms of board members must expire on a uniform date set forth in the enactment creating the health services district, provided, that each member shall serve until his successor is appointed and qualifies. Any vacancy shall be filled in the same manner as the original appointment for the unexpired portion of the term. A copy of the enactments of the respective counties or municipalities creating a health services district must be filed with the Secretary of State. The Secretary of State must be notified of the method established for staggering the terms of members of the board.

**SECTION 44‑7‑2040.** Meetings of board of directors.

The board shall meet upon the call of its chairman, but not less frequently than one time in each three calendar month period.

**SECTION 44‑7‑2050.** Officers of board of directors; compensation; term of office.

The board, at its initial meeting, shall elect one of its members as chairman, one as vice‑chairman, and one as secretary.

The officers shall serve for a term of two years and until their successors are elected and qualify. Members of the board shall serve without compensation, but shall be reimbursed for actual expenses incurred while in the performance of authorized duties.

**SECTION 44‑7‑2060.** Powers and duties of board of directors.

The board shall have the following powers and duties:

(1) Have perpetual succession.

(2) Adopt, use and alter a corporate seal.

(3) Make bylaws for the management and regulation of its affairs, and define a quorum for its meetings.

(4)(a) To acquire, by purchase or otherwise, any real property for any authorized use;

(b) To acquire by purchase or otherwise personal property deemed by it to be necessary and to dispose of such property when in its judgment, it is in the best interest of the district.

(5) Deposit and withdraw moneys realized from the sale of revenue bonds issued pursuant to provisions herein, and to expend the moneys in the manner prescribed by the proceedings authorizing the issuance of the revenue bonds.

(6) Deposit moneys derived from revenue producing facilities or services in any bank or trust company having an office within the district and withdraw the moneys for district purposes.

(7) Build, maintain and equip and operate regional health care facilities or any other hospital or health care related facility in its charge under such rules and regulations as the board may from time to time promulgate.

(8) Provide for the operation of its regional health care facilities or any other hospital or health care related facility in its charge.

(9) Exercise the power of eminent domain in accordance with Chapter 5, Title 28 of the 1976 Code.

(10) Appoint personnel and prescribe the duties of such, fix their compensation and determine if and to what extent they shall be bonded for the faithful performance of their duties.

(11) Employ technical or professional services as may be desirable to the performance of the duties in the district.

(12) Apply for moneys from any source, public or private, made available by grant or loan or both for the purposes of the district. All federal moneys accepted under such terms and conditions as are prescribed by the United States and as are consistent with state law, and all other moneys accepted under this section shall be accepted and expended by the board upon such terms and conditions as are prescribed by the State or other sources thereof.

(13) To take such action as may be necessary to carry out the purposes of this article.

(14) Lease land or any hospital facility to any public or private hospital upon such terms, conditions and for such length of time as it may determine to be appropriate consistent with the purpose of providing health care services for the district.

(15) To exercise on behalf of the district all of the powers relating to the issuance of bonds granted to the governing bodies of counties under Article 11, Chapter 7, Title 44 of the 1976 Code (the Hospital Revenue Bond Act).

**SECTION 44‑7‑2070.** Authority for board of directors to borrow money and issue bonds.

The board may borrow money and make and issue negotiable bonds, notes and other evidences of indebtedness payable solely from the revenue derived from the operation or lease of any revenue‑producing facility in its charge. The sums borrowed shall be used to pay costs incident to the purposes of this article. Neither the faith nor credit of the district shall be pledged to the payment of the principal and interest of the obligations, and there shall be on the face of such obligation a statement, plainly worded, to that effect. Neither the members of the board nor any person signing the obligation shall be personally liable thereon. The board may:

(1) Provide that such bonds, notes or other evidence of indebtedness be payable, both as to principal and interest, from the net revenues derived from the district of any revenue‑producing facility, as such net revenues may be defined by the board;

(2) Covenant and agree that, upon its being adjudged in default as to the payment of any installment of principal and interest upon any obligation issued by it or in default as to the performance of any covenant or undertaking made by it, in such event the principal of all obligations of such issue may be declared forthwith due and payable, notwithstanding that any of them may not have then matured.

(3) Confer upon a corporate trustee the power to make disposition of the proceeds from all borrowing and also all revenues derived from the operation of the revenue‑producing facility whose revenues are pledged for the payment of such obligations, in accordance with and in the order of priority prescribed by resolutions adopted by the board as an incident to the issuance of any notes, bonds or other evidences of indebtedness;

(4) Dispose of its obligations at public or private sale and upon such terms and conditions as it shall approve;

(5) Covenant and agree that any cushion fund established to further secure the payment of principal and interest of any obligation shall be a fixed amount;

(6) Covenant and agree that it will not enter into any agreements with any person or with the State, the United States or any of their political subdivisions for the furnishing of free services where such services are ordinarily charged for;

(7) Prescribe the procedure, if any, by which the terms of the contract with the holders of its obligations may be amended, the number of obligations whose holders must consent thereto, and the manner in which such consent shall be given; and

(8) Prescribe the evidences of default and conditions upon which all or any obligation shall become or may be declared due before maturity, and the terms and conditions upon which such declaration and its consequences may be waived.

**SECTION 44‑7‑2080.** Disposition and expenditure of revenues.

All revenues derived by the district from the operation of any revenue‑producing facility other than revenues which may be required to discharge covenants made by it in issuing bonds, notes, or other obligations as authorized herein shall be held, disposed of, or expended by the board for purposes germane to the functions and purposes of the district. Any expenditure permitted by the provisions of this act pursuant to Section 44‑7‑2157 to be made by or on behalf of a district is considered an expenditure of operating and maintaining public hospitals and public facilities for a public purpose and no expenditure permitted by this act or any other provisions of law may be considered to be a lending of credit or a granting of public money or a thing of value or an aid of any individual, association, or corporation within the meaning of any constitution or statutory provision.

**SECTION 44‑7‑2090.** Obligations of districts not to be impaired.

So long as the district is indebted to any person on any bonds, notes, or other obligations issued pursuant to the authority of this act, the provisions of this act and the powers granted to the district are not in any way diminished, and the provisions of this act are considered a part of the contract between the district and the holders of these obligations.

All agreements and obligations undertaken and all securities issued by a district are exclusively an obligation of the district and do not create an obligation or debt of the State, any authorizing subdivision, or any other county or municipality within the meaning of any constitutional or statutory provision. The faith and credit of the State, any authorizing subdivision, or any other county or municipality must not be pledged for the payment of any securities issued by a district, nor is the State or any authorizing subdivision or any county or municipality liable in any manner for the payment of the principal of or interest on any securities of a district or for the performance of any pledge, mortgage, obligation, or agreement of any kind whatsoever, that may be undertaken by a district.

**SECTION 44‑7‑2100.** Board of directors; further duties; ex officio members.

In carrying out its committed function of planning, establishing, financing, developing, constructing, enlarging, improving, maintaining, equipping, operating, regulating, protecting, policing or in other ways assisting in the development of nonprofit hospitals and health care related facilities, the district board will work closely with individual hospitals and other health care institutions and be consistent with health plans developed under Public Law 93‑641. Where the district is assisting an individual hospital or institution in any of the ways identified herein, the chairman or president of the board of trustees of the hospital or institution and one other member of the board of trustees designated by the respective board shall be named ex officio members of the board of directors of the district. These ex officio members shall serve without vote for the duration of the contractual relationships of the respective institutions with the district, or until a successor is named and qualifies.

The board of directors of the district shall have the right and privilege of appointing other ex officio directors for the purpose of availing itself of specialized talents, knowledge or counsel. The term of appointment shall be as determined by the board of directors at its discretion.

**SECTION 44‑7‑2110.** Pee Dee Regional Health Services District continued.

The health services district created by Article 13 of Chapter 7 of Title 44 of the 1976 Code shall continue in existence under the provisions of such article, provided, however, that the county governing bodies of the counties named in such district shall, not later than January 1, 1977, reconstitute such district under the terms of this article and upon such reconstitution such health services districts shall exist under the terms of this article.

Each person serving on the board on March 2, 1976, shall continue to serve until his term expires unless the county he represents discontinues to be a part of the district in which case and at such time he shall cease to be a member of the board. The successor to a board member provided for in Article 13 of Chapter 7 of Title 44 shall be appointed as provided for in Section 44‑7‑2020 and have his initial term expire as provided for in Section 44‑7‑2030.

**SECTION 44‑7‑2115.** Meaning of “health care facility” and “public hospital corporation.”

For the purposes of the article:

(1) The term “health care facilities” means and includes those hospital facilities as defined in subsection (d) of Section 44‑7‑1430 of the 1976 Code;

(2) The term “public hospital corporation” means any public authority, corporation, or association or entity organized on a local or regional basis by or with the consent of any county or municipality (or any two or more counties or municipalities) and having the power to own or operate any health care facilities, including without limitation, any public corporation or authority heretofore or hereafter organized under the provisions of this article.

**SECTION 44‑7‑2120.** Exemption of districts from State and local taxes.

All properties owned by a district, whether real, personal, or mixed, and the income from the properties, all securities issued by a district and the indentures and other instruments executed as security therefor, all leases made pursuant to the provisions of this article, and all revenues derived from these leases, and all deeds and other documents executed by or delivered to a district, are exempt from any and all taxation by the State or by any county, municipality, or other political subdivision of the State, including, but without limitation, license excise taxes imposed in respect of the privilege of engaging in any of the activities in which a district may engage. A district is not obligated to pay or allow any fees, taxes, or costs to the clerk of court, the Secretary of State, or the register of deeds in any county in respect of its incorporation, the amendment of its certificate of incorporation, or the recording of any document. The gross proceeds of the sale of any property owned by the district and used in the construction and equipment of any health care facilities for a district is exempt from all other and similar excise or sales taxes. It is the express intent of this section that any district authorized under this article incurs no tax liability to the State or any of its political subdivisions except to the extent that sales and use taxes may be payable on the purchases of goods or equipment by the district.

**SECTION 44‑7‑2125.** Authority of public bodies to convey health care facilities and other property to districts.

Any municipality or county, any public hospital corporation, or any other public agency, authority, or body are authorized to transfer, convey to any district, with or without consideration any health care facilities or other properties, real or personal, and all funds and assets tangible or intangible, including ownership or operation of any health care facilities or properties and including funds presently held or to be held as a result of future appropriations, together with all liabilities relating to assets including hospital bonded indebtedness.

The transfer or conveyance must be authorized by an ordinance or resolution duly adopted by the governing body of the municipality or county or by the board of directors or other governing body of the public hospital corporation, or other public agency, authority, or body, as the case may be, and it is not necessary, any provision of law to the contrary notwithstanding, to obtain any certificate of need, assurance of need, or other similar permit for any transfer or conveyance. This exemption applies solely to the initial transfers following a reorganization and does in no event waive the requirement of a certificate of need after the initial transfers. In the event of the transfer of any health care facilities to the district, any hospital tax proceeds, other tax proceeds and other revenues apportioned or allocated to or for the benefit of the prior owner or operator of the health care facilities, or for the patient care at the health care facility must thereafter be paid to the district so long as the tax is levied or revenue is raised. Following the transfer, assets will not be revalued to alter public health care program reimbursement.

**SECTION 44‑7‑2130.** Districts as county agencies for operation of health care facilities; receipt of proceeds of special hospital taxes levied by authorizing subdivisions.

A district constitutes an agency of the county to operate health care facilities and shall receive the proceeds from any special public hospital tax levied by the authorizing subdivisions. The reincorporation under Article 16, Chapter 7, Title 44 of the 1976 Code of any public hospital corporation that heretofore has been designated as the agency of a county to operate and maintain public hospital facilities in the counties in no way impairs or invalidates this designation and the reincorporated public hospital corporation shall continue as such just as if it had not been so reincorporated. Nothing in this section, however, limits any rights or powers otherwise conferred upon a district pursuant to any other provision of this article or of law.

ARTICLE 16.

INCORPORATION OF HEALTH SERVICES DISTRICTS

**SECTION 44‑7‑2150.** Incorporation of districts as public corporations.

Health Services Districts established pursuant to the provisions of Act 490 of 1976 may also incorporate as a public corporation in the manner provided by this article.

**SECTION 44‑7‑2151.** Meaning of “health care facility” and “public hospital corporation.”

The terms “health care facilities” and “public hospital corporation” for purposes of this article have the same meanings as provided in Section 11A of Act 490 of 1976.

**SECTION 44‑7‑2152.** Application for incorporation; review and determination.

(a) In order to incorporate a district, any number of natural persons, not less than three, shall first file a written application with the governing body of any county or municipality, or any two or more counties and municipalities eligible to form a district, which application shall:

(1) recite the name of each county or municipality in the district with the governing body to which the application is being filed;

(2) contain a statement that the applicants propose to incorporate a district pursuant to the provisions of this article;

(3) state that each of the applicants is a duly qualified elector of the authorizing subdivision, or, if there is more than one, at least one subdivision thereof; and

(4) request that the governing body of the authorizing subdivision adopt a resolution declaring that it is wise, expedient, and necessary that the district be incorporated, approving its certificate of incorporation, and authorizing the applicants to proceed to incorporate the district by filing for record a certificate of incorporation in accordance with the provisions of this article.

(b) Each application must be accompanied by the certificate of incorporation of the district and by those other supporting documents the applicants may consider appropriate.

(c) As promptly as may be practicable after the filing of the application, the governing body of each authorizing subdivision with which the application is filed shall review the contents of the application and the accompanying certificate of incorporation and shall adopt a resolution either denying the application or declaring that it is wise, expedient, and necessary and thereby approving the incorporation of the district.

(d) Any public hospital or corporation may incorporate or reincorporate under the provisions of this article in the same manner as other authorities or hospitals are authorized to incorporate.

**SECTION 44‑7‑2153.** Content, execution, and filing of certificate of incorporation.

(1) Within forty days following the adoption of the authorizing resolution, the applicant shall proceed to incorporate the district by filing for record in the office of the Secretary of State a certificate of incorporation which shall comply with the requirements of this article and must be in the form and executed in the manner provided in this article.

(2) In addition to any other provisions required by this article, the certificate of incorporation of the district shall state:

(a) all information ordinarily included in the application for incorporation of corporations incorporated in this State;

(b) the name of each authorizing subdivision together with the date on which the governing body of the subdivision adopted the authorizing resolutions;

(c) the method by which the district may be dissolved and provisions relating to the vesting of title to its assets and properties upon its dissolution;

(d) any matters relating to the district that the incorporators may choose to insert that are not inconsistent with this article or with the laws of this State.

(3) The certificate of incorporation must be signed and acknowledged by each of the incorporators before a notary public.

(4) When the certificate of incorporation is filed for record, there must be attached to it:

(a) a certified copy of each authorizing resolution;

(b) a certificate by the Secretary of State that the name of the district is not identical to that of any other corporation organized under the laws of the State or so nearly similar thereto as to lead to confusion or uncertainty.

(5) Upon filing for record the certificate of incorporation and, the documents required by subsection (4), the district is incorporated and constitutes a public corporation under the name set forth in its certificate of incorporation. The Secretary of State shall record the certificate of incorporation in an appropriate manner.

(6) The Secretary of State, subject to the requirements of this article, shall prescribe the exact form of the certificate of incorporation.

**SECTION 44‑7‑2154.** Amendment of certificate of incorporation.

The certificate of incorporation of any district incorporated under the provisions of this article, as well as that of any public hospital or corporation reincorporated under the provisions of this article, may be amended only upon the board of the district adopting a resolution proposing an amendment which amendment is subject to approval of the governing body of each authorizing subdivision or may be amended upon the initiative of the governing body of each authorizing subdivision. All these duly approved amendments must be filed with the Secretary of State in the same manner as with the original certificate of incorporation.

**SECTION 44‑7‑2155.** Board of directors and officers.

The board of directors and officers of the district as selected in the manner specified in Act 490 of 1976 also constitute the board of directors and officers of the district when incorporated.

**SECTION 44‑7‑2156.** Absence of outstanding obligations as prerequisite for dissolution.

At any time when the district does not have any securities outstanding and when there are no other obligations assumed by the district that are then outstanding, the district may be dissolved in accordance with its articles of incorporation.

**SECTION 44‑7‑2157.** Additional powers of districts upon incorporation.

Upon incorporation, the district has the following powers which are in addition to those powers, duties, and authority conferred upon it by Act 490 of 1976:

(1) To lease or otherwise make available any health care facilities or other of its properties and assets under such terms and conditions as the board considers appropriate.

(2) To provide instruction and training for and to contract for the instruction and training of nurses, technicians, and other technical, professional, and paramedical personnel.

(3) To affiliate with and to contract to provide training and clinical experience for students of other institutions.

(4) To contract for the operation of any department, section, equipment, or holdings of the district and to enter into those contracts which, in its judgment, are in the best interest of the district.

(5) To assume any obligations of any entity that conveys and transfers to the district any health care facilities or other property or interests therein.

(6) To make any expenditure of any monies under its control that would be considered as ordinary and necessary expenses of the district within the meaning of state and federal taxation laws.

(7) To provide scholarships for students in training for work in the duties peculiar to health care.

(8) To enter into affiliation, cooperation, territorial management, or other similar agreements with other institutions for the sharing, division, allocation, or exclusive furnishing of services, referral of patients, management of facilities, and other similar activities.

Nothing contained in this article may be considered to affect or alter the existing laws as they relate to the rights, privileges, medical staff membership, or remedies of physician members of the medical staff of hospitals, hospital facilities, or health care facilities. No district has the power to levy taxes.

ARTICLE 17.

ORANGEBURG‑CALHOUN REGIONAL HOSPITAL [REPEALED]

**SECTION 44‑7‑2210 to 44‑7‑2250.** Repealed by 2004 Act No. 298, Section 1, eff August 16, 2004.

**SECTION 44‑7‑2210 to 44‑7‑2250.** Repealed by 2004 Act No. 298, Section 1, eff August 16, 2004.

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**SECTION 44‑7‑2210 to 44‑7‑2250.** Repealed by 2004 Act No. 298, Section 1, eff August 16, 2004.

ARTICLE 19.

AGREEMENTS AND JOINT PROGRAMS INVOLVING HEALTH SERVICES DISTRICTS

**SECTION 44‑7‑2310.** Agreements by public service districts furnishing clinical medical services.

The governing body of any public service district whose principal function is to furnish clinical medical services is authorized to enter into agreements with other political subdivisions, or with nonprofit providers of emergency health services or other health care, including specifically, but not limited to, emergency service agencies, rescue squads and sole provider health care facilities, to provide for joint programs and otherwise cooperate in the delivery of medical and medical related services and the more complete utilization of district property within the boundaries of the district. Such agreements may include provisions:

(1) To provide or assist in providing emergency ambulance service within the boundaries of the district.

(2) To provide emergency ambulance vehicles and emergency medical equipment and facilities to house such vehicles and equipment.

(3) To provide training for emergency medical technicians and facilities for the conduct of such training.

(4) To assist in delivery of medical care to indigent residents of the district or payment to other providers of medical care to indigent residents of the district not otherwise compensated for and within the limit of available funds.

(5) To the extent that lands or facilities of the district are not presently needed or utilized for the operation of a medical clinic or for providing other services authorized to be provided by the district, the district shall be authorized to make available to local governments, including counties, municipalities and other special service districts, those lands or facilities not currently required by the district, to be used by such local governments to provide public facilities and services considered desirable for and in the best interest of the area served by the district.

ARTICLE 20.

HOSPITAL INFECTIONS DISCLOSURE

**SECTION 44‑7‑2410.** Citation of article.

This article may be cited as the “Hospital Infections Disclosure Act”.

**SECTION 44‑7‑2420.** Definitions.

As used in this article:

(1) “Department” means the Department of Health and Environmental Control.

(2) “Hospital” means a facility organized and administered to provide overnight medical or surgical care or nursing care of illness, injury, or infirmity and may provide obstetrical care, and in which all diagnoses, treatment, or care is administered by or under the direction of persons currently licensed to practice medicine, surgery, or osteopathy and is licensed by the department as a hospital.

“Hospital” may include residential treatment facilities for children and adolescents in need of mental health treatment which are physically a part of a licensed psychiatric hospital. This definition does not include facilities that are licensed by the Department of Social Services.

(3) “Hospital acquired infection” means a localized or systemic condition that:

(a) results from adverse reaction to the presence of an infectious agent or agents or its toxin or toxins; and

(b) was not present or incubating at the time of admission to the hospital.

**SECTION 44‑7‑2430.** Collection of data; reporting by individual hospitals; appointment of advisory committee; adoption of methodology for collecting and analyzing data.

(A)(1) Individual hospitals shall collect data on hospital acquired infection rates for the specific clinical procedures as recommended by the advisory committee and defined by the department, including the following categories:

(a) surgical site infections;

(b) ventilator associated pneumonia;

(c) central line related bloodstream infections; and

(d) other categories as provided under subsection (D).

(2) Hospitals also shall report completeness of certain selected infection control processes, as recommended by the advisory committee and defined by the department, according to accepted standard definitions.

(B)(1) Hospitals shall submit reports at least every six months on their hospital acquired infection rates to the department. Reports must be submitted in a format and at a time as provided for by the department. Data in these reports must cover a period ending not earlier than one month prior to submission of the report. These reports must be made available to the public at each hospital and through the department. The first report must be submitted before February 1, 2008.

(2) If the hospital is a division or subsidiary of another entity that owns or operates other hospitals, or related facilities, the report must be for the specific division or subsidiary and not for the other entity.

(C)(1) The commissioner of the department shall appoint an advisory committee that must have an equal number of members representing all involved parties. The department shall seek recommendations for appointments to the advisory committee from organizations that represent the interests of hospitals, consumers, businesses, purchasers of health care services, physicians, and other professionals involved in the research and control of infections.

(2) The advisory committee shall assist the department in the development of all aspects of the department’s methodology for collecting, analyzing, and disclosing the information collected under this article, including collection methods, formatting, and methods and means for release and dissemination of this information.

(3) In developing the methodology for collecting and analyzing the infection rate data, the department and advisory committee shall consider existing methodologies and systems for data collection, such as the Centers for Disease Control and Prevention’s National Healthcare Safety Network; however, the department’s discretion to adopt a methodology is not limited or restricted to any existing methodology or system. The data collection and analysis methodology must be disclosed to the public prior to any public disclosure of hospital acquired infection rates.

(4) The department and the advisory committee shall evaluate on a regular basis the quality and accuracy of hospital information reported under this article and the data collection, analysis, and dissemination methodologies.

(D) The department may, after consultation with the advisory committee, require hospitals to collect data on hospital acquired infection rates in categories additional to those set forth in subsection (A).

**SECTION 44‑7‑2440.** Annual reports and quarterly bulletins; contents; publicizing of reports.

(A) The department shall annually submit to the General Assembly a report summarizing the hospital reports submitted pursuant to Section 44‑7‑2430 and shall publish the annual report on its website. The first annual report must be submitted and published before February 1, 2009. The department may issue quarterly informational bulletins at its discretion, summarizing all or part of the information submitted in the hospital reports.

(B) All reports issued by the department must be risk adjusted.

(C) The annual report must compare the risk adjusted hospital acquired infection rates, collected under Section 44‑7‑2430, for each individual hospital in the State. The department, in consultation with the advisory committee, shall make this comparison as easy to comprehend as possible. The report also must include an executive summary, written in plain language, that must include, but is not limited to, a discussion of findings, conclusions, and trends concerning the overall state of hospital acquired infections in the State, including a comparison to prior years. The report may include policy recommendations, as appropriate.

(D) The department shall publicize the report and its availability as widely as practical to interested parties including, but not limited to, hospitals, health care providers, media organizations, health insurers, health maintenance organizations, purchasers of health insurance, consumer or patient advocacy groups, and individual consumers. The annual report must be made available to any person upon request and the department may charge a fee for such copies, not to exceed the actual cost of the copy of the report.

(E) No hospital report or department disclosure may contain information identifying a patient, employee, or licensed health care professional in connection with a specific infection incident.

(F) The department, after consultation with the advisory committee, may phase‑in the reporting requirements of this section.

**SECTION 44‑7‑2450.** Protection of patient confidentiality; reporting accidents or incidents.

(A) It is the intent of the General Assembly that a patient’s right of privilege or confidentiality must not be violated in any manner. Patient social security numbers and any other information that could be used to identify an individual patient must not be released notwithstanding any other provision of law to the contrary.

(B) Nothing in this section affects the duty of a facility or activity licensed by the Department of Health and Environmental Control to report accidents or incidents pursuant to the department’s regulations. However, anything reported pursuant to the department’s regulations must not be considered to waive any privilege or confidentiality provided in subsection (A).

**SECTION 44‑7‑2460.** Insuring compliance with article; promulgation of regulations.

(A) The department shall ensure compliance with this article as a condition of licensure or permitting under this chapter pursuant to Section 44‑7‑320 and shall enforce such compliance.

(B) The department may promulgate regulations as necessary to carry out its responsibilities under this article.

ARTICLE 21.

INFANTS AND TODDLERS WITH DISABILITIES

**SECTION 44‑7‑2510.** Short title.

This article may be cited as the “Infants and Toddlers with Disabilities Act”.

**SECTION 44‑7‑2515.** Purpose of article.

The purpose of this article is to provide early intervention services to infants and toddlers with disabilities in accordance with Subchapter VIII, Chapter 33, Title 20, U.S. Code Annotated, contingent upon appropriation of federal funds for Subchapter VIII.

**SECTION 44‑7‑2520.** Definitions.

As used in this article unless the context otherwise requires:

(1) “Department” means the agency designated as lead agency by the Governor by Executive Order pursuant to Subchapter VIII, Chapter 33, Title 20, U. S. Code Annotated.

(2) “Infants and toddlers with disabilities” means children from birth through two years of age in need of early intervention services due to measurable delays in cognitive development, physical development, communication, psychosocial development, or self‑help skills, or due to a diagnosed physical or mental condition that has a high probability of resulting in developmental delay.

(3) “Early intervention services” are services designed to meet the developmental needs of infants and toddlers with disabilities, provided in conformity with an individualized family service plan under public supervision by qualified personnel. They include, but are not limited to, family training, counseling and home visits, special instruction, speech pathology and audiology, occupational therapy, physical therapy, psychological services, service coordination, medical services only for diagnostic or evaluation purposes, early identification, screening and assessment services, health services necessary to enable the infant or toddler to benefit from the other early intervention services, and transportation services.

(4) “Council” means the State Interagency Coordinating Council which must be established in conformance with federal regulations.

**SECTION 44‑7‑2530.** Duties of department; role of other publicly funded agencies.

(A) The department must:

(1) monitor programs and activities to ensure compliance with federal law and regulations;

(2) identify, facilitate, and coordinate all available resources within the State from federal, state, local, and private sources;

(3) develop procedures to ensure that services are provided to infants and toddlers with disabilities and their families in a timely manner pending the resolution of disputes among public agencies or service providers;

(4) develop procedures to ensure resolution of intraagency and interagency disputes;

(5) develop formal interagency agreements that, consistent with state law, define the financial responsibility of each agency for paying for early intervention services and procedures for resolving disputes.

(B) To ensure that all eligible infants and toddlers receive services, pending resolution of any dispute the department shall assign financial responsibility among agencies providing early intervention services.

(C) All publicly funded agencies shall continue to provide all services within their respective statutory responsibility to eligible infants and toddlers with disabilities.

**SECTION 44‑7‑2540.** Interagency system to be developed.

(A) The State Interagency Coordinating Council shall advise and assist the department in developing a comprehensive interagency system to provide early intervention services for all eligible infants and toddlers with disabilities and their families.

(B) The comprehensive interagency system must implement:

(1) a timely, comprehensive, multidisciplinary assessment of the functioning of each infant and toddler with disabilities in the State, including the needs of their families relating to enhancing the child’s development;

(2) a written individualized family service plan for each eligible infant or toddler with a disability;

(3) a comprehensive method of identifying infants and toddlers with disabilities;

(4) a public awareness program focusing on early identification of infants and toddlers with disabilities;

(5) access to a central directory which includes early intervention services, resources, and experts available in the State;

(6) a comprehensive system of personnel development for those who serve eligible infants and toddlers with disabilities;

(7) formal interagency agreements which:

(a) define the responsibility of each agency for providing and paying for early intervention services;

(b) coordinate programs so as to permit children and their families to move easily among agencies in the system;

(c) adopt uniform program, health, and safety standards;

(d) contain procedures for resolving disputes;

(8) procedural safeguards as required by federal and state law;

(9) a method for compiling data on the number of infants and toddlers with disabilities in the State in need of early intervention services, the number served, the types of disabilities, the types of services provided, and other information required by the federal government or needed to deliver services effectively.

(C) Early intervention services must be available through the comprehensive interagency system and provided by appropriate state agencies in accordance with time requirements of Subchapter VIII, Chapter 33, Title 20, U. S. Code Annotated, to effectuate the individual family service plan for each eligible infant or toddler.

**SECTION 44‑7‑2550.** Regulations.

The department shall promulgate regulations necessary to carry out the purposes of this article. Through regulation or interagency agreement when appropriate the department may develop standards addressing the coordination and provision of early intervention services, including personnel qualifications and health, safety, and program standards for the facilities where the services are offered.

**SECTION 44‑7‑2560.** Individualized family service plans.

(A) Based on the assessment provided for in Section 44‑7‑2540 an individualized family service plan must be developed by a multidisciplinary team of appropriate qualified personnel which also must include the parent, guardian, or other adult responsible for the child. The family also may choose an advocate to be present during the development of the plan. The plan must be written and explained in easily understandable language and must contain:

(1) a statement of the present levels of physical, cognitive, psychosocial, communication, and self‑help skill development for the infant or toddler with disabilities;

(2) a statement of the health status and medical needs of the child and family to support the highest possible development of the child, including the names of the health care providers;

(3) with concurrence of the family, a statement of the family’s resources relating to enhancing the child’s development;

(4) a statement of the major outcomes expected to be achieved for the child and the family and the methods used to measure progress toward the outcomes;

(5) a statement of specific early intervention services necessary to meet the needs of the child and family, including the frequency, intensity, and method of delivering services and payment arrangement, if any;

(6) the projected dates for initiation of services and the anticipated duration of services;

(7) the name of the service coordinator. The service coordinator is responsible for the implementation of the plan and coordination with other agencies and persons;

(8) the steps necessary to support transition of the child to other programs, if appropriate.

(B) The individualized family service plan must be developed within the time established by the department after the child initially is referred and after the assessment is completed. With the parent’s consent early intervention services may begin before completion of the assessment or plan, provided an interim plan is developed. The plan serves as the comprehensive plan for all agencies involved in providing early intervention services to the child and family. Services must be provided in a timely manner, as established by the department, pending resolution of disputes among public agencies or service providers. The plan must be evaluated at least once a year and reviewed with the family at three‑month intervals or more frequently, if appropriate.

**SECTION 44‑7‑2570.** Fees for services; insurance.

(A) Families must not be charged for early intervention services provided pursuant to this article.

(B) Nothing in this section relieves public or private insurance programs, or other persons or agencies required by law to provide or pay for early intervention services, from their financial or legal responsibilities.

(C) Pursuant to Subchapter VIII, Chapter 33, Title 20, U. S. Code Annotated, all financial resources from federal, state, local, and private sources must be coordinated to fund early intervention services. A joint funding plan must be submitted by the department to the Joint Legislative Committee on Children on or before August first of each year. The individual components of the plan as they relate to individual agencies must be incorporated annually into each affected agency’s budget request.

**SECTION 44‑7‑2590.** Confidentiality of records and information; exceptions; penalties for unauthorized disclosure.

All information and reports related to children and families obtained pursuant to this article are confidential as provided in Subchapter VIII, Chapter 33, Title 20, U.S. Code Annotated. A person who disseminates or permits the unauthorized dissemination of the information or reports is guilty of a misdemeanor and, upon conviction, must be fined not more than one hundred dollars or imprisoned not more than thirty days, or both.

**SECTION 44‑7‑2600.** Reports to Joint Legislative Committee on Children.

By August first of each year the department shall submit an annual report to the Joint Legislative Committee on Children regarding the status of the comprehensive interagency system, including new and existing resources and gaps in services.

**SECTION 44‑7‑2610.** Local interagency coordinating councils.

(A) County or multicounty local interagency coordinating councils (ICC) representing each county in the State must be established. Membership on each council must consist of parents, providers, local agencies, and government agencies.

(B) The function of the local ICC will be to advise and assist the state council and the department in planning and implementing a system of early intervention services at the local community level.

(C) Each local ICC shall report to the state council on the status of early intervention services in its county.

(D) With prior approval by the department and the state council, local ICC’s may enter into local interagency agreements. Local ICC’s may give advice and assistance to local early intervention projects. No member of a local ICC may vote on a matter which directly would benefit the member financially or otherwise appear to be a conflict of interest under state law.

ARTICLE 23.

CRIMINAL RECORD CHECKS OF DIRECT CARE STAFF

**SECTION 44‑7‑2910.** Criminal record check for direct caregivers; definitions.

(A)(1) A direct care entity employing or contracting with a direct caregiver shall conduct a criminal record check as provided in this section prior to employing or contracting with the direct caregiver. A direct care entity may consider all information revealed by a criminal record check as a factor in evaluating a direct caregiver’s application to be employed by or contract with the entity.

(2) An employment agency may not furnish employees to a direct care entity without conducting a criminal record check on each employee. An employee who works in multiple direct care settings must have a criminal record check on file at the location of the employment agency, the home office of his employer, or at the individual’s primary place of employment.

(B) For purposes of this article:

(1) “Direct care entity” means:

(a) a nursing home, as defined in Section 44‑7‑130;

(b) a daycare facility for adults, as defined in Section 44‑7‑130;

(c) a home health agency, as defined in Section 44‑69‑20;

(d) a community residential care facility, as defined in Section 44‑7‑130;

(e) a residential program operated or contracted for operation by the Department of Mental Health or the Department of Disabilities and Special Needs.

(2) “Direct caregiver” or “caregiver” means:

(a) a registered nurse, licensed practical nurse, or certified nurse assistant;

(b) any other licensed professional employed by or contracting with a direct care entity who provides to patients or clients direct care or services and includes, but is not limited to, a physical, speech, occupational, or respiratory care therapist;

(c) a person who is not licensed but provides physical assistance or care to a patient or client served by a direct care entity;

(d) a person employed by or under contract with a direct care entity who works within any building housing patients or clients;

(e) a person employed by or under contract with by a direct care entity whose duties include the possibility of patient or client contact.

For purposes of this article, a direct caregiver does not include a faculty member or student enrolled in an educational program, including clinical study in a direct care entity.

(C)(1) A direct caregiver applicant shall provide verification of residency for the twelve months preceding the date of the employment application. The direct care entity shall conduct a state criminal record check if the applicant has resided in South Carolina during that twelve‑month period and can verify residency through:

(a) a driver’s license or identification card issued by the State of South Carolina;

(b) rent, mortgage, or utility receipts in the applicant’s name for a home within South Carolina;

(c) pay stubs in the applicant’s name from a business located in South Carolina; or

(d) bank records in the applicant’s name showing a deposit or checking account held in a South Carolina branch office of a bank.

(2) A direct care entity unable to verify South Carolina residency for a direct care applicant for the preceding twelve months shall conduct a state criminal record check on the applicant prior to employment and shall commence a federal criminal record check after employment. However, if the direct care entity can verify residency in another state for the preceding twelve months, the direct care entity may conduct only a state criminal record check in the applicant’s resident state or jurisdiction where the applicant previously resided.

**SECTION 44‑7‑2920.** Criminal record check procedures.

Criminal record checks required pursuant to this article must be conducted by the State Law Enforcement Division or by a private business, organization, or association which conducts background checks if that entity utilizes current criminal records obtained from the State Law Enforcement Division or the Federal Bureau of Investigation to determine any criminal record. An applicant shall submit with the application one complete set of the applicant’s fingerprints on forms specified or furnished by the State Law Enforcement Division. Fingerprint cards submitted to the State Law Enforcement Division pursuant to this section must be used to facilitate a national criminal records check, as required by this section. The criminal record check is not required to be repeated as long as the person remains employed by or continues to contract with a direct care entity; however, if a person is not employed by or is not under contract for one year or longer with a direct care entity, the criminal record check must be repeated before resuming employment or contracting with a direct care entity. The fee charged by the Federal Bureau of Investigation, if any, for the fingerprint review must be paid by the individual direct caregiver or the direct care entity.

**SECTION 44‑7‑2930.** Personnel records.

A direct care entity may furnish copies of personnel records of current or former direct caregivers to another direct care entity requesting this information. Information contained in the records may include, but is not limited to, disciplinary matters and any reasons for termination. A direct care entity releasing these records pursuant to this section is presumed to be acting in good faith and is immune from civil and criminal liability which otherwise may result by reason of releasing this information. A direct care entity receiving records pursuant to this section shall conduct its own criminal record check pursuant to this article.

**SECTION 44‑7‑2940.** Department of Health and Environmental Control oversight of criminal record checks by direct care entities; license renewals.

The Department of Health and Environmental Control shall verify that a direct care entity is conducting criminal record checks as required in this article before the department issues a renewal license for the direct care entity. The department shall act as the channeling agency for any federal criminal record checks required by this article.

**SECTION 44‑7‑2950.** Civil fines for violation of criminal record check requirements.

An individual who violates this article, or a regulation promulgated pursuant to this article, is subject to a civil fine of one hundred dollars for the first violation and five hundred dollars for each subsequent violation. A fine imposed pursuant to this section must be paid before a direct care entity’s license is renewed. Fines collected pursuant to this section must be retained by the department to help offset the costs associated with carrying out the department’s responsibilities under this article.

ARTICLE 25.

MEDICAL UNIVERSITY OF SOUTH CAROLINA

**SECTION 44‑7‑3110.** Lease and sale of certain assets; terms and conditions.

The General Assembly authorizes and grants to the Board of Trustees of the Medical University of South Carolina authority to enter into reasonable agreements to transfer the management and operations of the Medical University Hospital to one or more private operators, including authority to:

(A) Lease certain Medical University Hospital land, together with all easements, rights, privileges, and appurtenances appertaining thereto, and all of the buildings, structures, fixtures, and other improvements existing and situated on that land, all as described in Section 44‑7‑3120; and

(B) Sell furniture, fixtures, equipment, accounts receivable, and other incidental assets associated with or employed in the operation of the Medical University Hospital on the land.

Provided, however, that the following terms and conditions must be observed and included and accepted in the agreements:

(1) The term of the lease and any extensions may not exceed a total aggregate period of thirty years.

(2) The leased premises may be used only for the operation of hospitals and clinics, and for other uses reasonably related to hospitals, clinics, and health care, provided that those operations and uses are consistent with all Joint Commission on Accreditation and Healthcare Organizations standards.

(3) Any private operator or operators chosen by the Medical University of South Carolina’s Board of Trustees to operate the Medical University Hospital shall not transfer, sell, lease, or assign control of the Medical University Hospital, or of the entity operating or controlling the Medical University Hospital or of any of its related real estate or other assets, to any other private operator without the prior express written approval of the Medical University of South Carolina Board of Trustees and without compliance with the same terms and conditions provided in this article. Prior to any such transfer, sale, lease, or assignment of control, the Medical University of South Carolina shall have the right of first refusal and be given sufficient time to consider and decide whether to exercise the right of first refusal.

(4) Any private operator or operators chosen by the Medical University of South Carolina’s Board of Trustees to operate the Medical University Hospital must provide indigent care in the same manner as is being provided by the Medical University of South Carolina through the operation of this Medical University Hospital and its clinical programs.

(5) The Medical University of South Carolina and the State of South Carolina must be protected from any tort liability arising from the private operation of the Medical University Hospital by the private operator, unless and except to the extent the tort liability is caused by or attributed to the Medical University of South Carolina or the State of South Carolina, or both. The agreement will require the operator of the Medical University Hospital to acquire and keep in effect sufficient insurance policies to provide a reasonable amount and type of coverage and naming the Medical University of South Carolina as an additional insured.

(6) The name and logo of the Medical University of South Carolina and its affiliates shall not be used by any private operator to market and promote health care services.

(7) The proceeds from this lease and from the sale of these assets must be used for the retirement of outstanding indebtedness incurred to finance Medical University Hospital facilities, and all other revenues and payments received from or in connection with this lease or sale must be dedicated solely for use of the Medical University of South Carolina’s business and operations as the Board of Trustees of the Medical University of South Carolina may direct, subject to review by the appropriate bodies of state governments.

(8) All agreements, the manner in which all agreements are made and the implementation of all agreements must comply with all applicable laws.

(9) Access for any person or group to use the services of the Medical University Hospital and clinical services shall not be limited, restricted, denied, or allowed in a discriminatory manner that is prohibited by law; nor shall such access be denied based on lack of participation or membership in a particular health plan or network.

(10) The Medical University of South Carolina shall have access at all times to all records of all patients treated at the Medical University Hospital, and all patients shall have access at all times to their own records.

Provided, further, that the lease and sale may not be finalized until the Budget and Control Board is satisfied that the consideration paid by the private operator or operators for the agreements authorized by this article reflects a fair and reasonable value to the State of South Carolina, based upon either the net book value of the hospital, capitalization of income from operation of the hospital over a period of years, the net present value of future cash flow of the hospital, a direct comparison to a comparable transaction, or some other financially sound and general practiced method of business evaluation.

The Budget and Control Board is directed to cause the lease and purchase agreements regarding the Medical University Hospital to contain provisions requiring and ensuring compliance with the terms and conditions stated above. To assist the board in performing this function, the Medical University of South Carolina is required to provide, at its expense, any information, studies, evaluations, agreements, reports, or other data requested by the Budget and Control Board, including any such items with regard to University Medical Associates or any of its employees, officers, and affiliates. The approval requirement for the transaction authorized in this act shall be governed by the provisions of Section 1‑11‑65 of the 1976 Code, and compliance with the provisions of this act is exclusive and shall satisfy the approval requirements of any and all other statutory provisions requiring the review and/or approval of any agency, department, or division.

No lease or other agreement pursuant to this article shall be valid unless and until the provisions of this article have been complied with fully and the Budget and Control Board has certified that the provisions of this article have been complied with fully.

**SECTION 44‑7‑3120.** Legal description of land and improvements.

The legal description of the land and improvements thereon referenced in Section 44‑7‑3110(A) is as follows:

All that certain property and parcels of land in Charleston County together with improvements thereon lying on the north side of Albert B. Sabin Street, between Ashley Avenue and Jonathan Lucas Street consisting of the MUSC Teaching Hospital and the MUSC Children’s Hospital but saving and excepting the Clinical Sciences Building and the Storm Eye Institute;

Together with a rectangular parcel located on the south side of Albert B. Sabin Street containing certain fuel oil tanks;

Together with the Psychiatric Institute located on the west side of President Street and the playground area located to the rear of such institute but saving and excepting the auditorium, the lobby area, and the University Services Building.

The above referenced properties are as shown on a survey prepared by Forsburg Engineering & Surveying, Inc., to be recorded and reference is made thereto for a description of the metes and bounds thereof.

**SECTION 44‑7‑3130.** Nature of University Medical Associates (UMA).

Notwithstanding any other provision of law to the contrary, University Medical Associates (UMA) is a public body as defined by Chapter 4, Title 30 (the Freedom of Information Act) for purposes of the act and the provisions of the act apply to records maintained by UMA.

**SECTION 44‑7‑3140.** Employee grievances.

Upon approval of the proposed sale or lease of MUSC’s facilities and assets to HCA, HCA shall take the steps necessary to create an employee grievance committee for the review of all employee disciplinary actions and terminations by HCA. The grievance procedure must provide that the final decision in any grievance involving a former MUSC employee rests with the board of directors of MUSC and that the final decision in grievances involving HCA employees rests with the official designated by HCA.

**SECTION 44‑7‑3150.** Consultation required.

Notwithstanding any other provision of law, the Budget and Control Board must consult the South Carolina Commission on Higher Education prior to granting authorization to effectuate the transaction provided for in this article.

**SECTION 44‑7‑3160.** Personal profiting prohibited.

Notwithstanding any other provision of law to the contrary, upon approval of the proposed lease and sale of Medical University of South Carolina facilities and assets, no one who is currently an employee of MUSC or UMA may personally profit from the transaction by accepting compensation or other financial incentives from the purchasing and/or leasing company if that individual played a substantial role in the negotiation process. As used in this section “substantial role” means a role where one is providing direct advice to the members of a negotiating team or being a member of a negotiating team.

**SECTION 44‑7‑3170.** Shared participation permitted.

No condition of any lease or agreement shall restrict MUSC employees to shared participation with one company’s health care third party providers.

**SECTION 44‑7‑3180.** Valuation of purchase upon default or expiration of lease.

At the time of default by Columbia HCA or end of the lease, MUSC shall not be required to purchase the Medical Center as a going concern but rather at the appraised value of the tangible assets owned by the lessee as personal property inventory.

**SECTION 44‑7‑3190.** Written consent requirement for discontinuation or transfer of inpatient clinical service.

Any discontinuation or transfer of any inpatient clinical service offered at the Medical Center shall be with the prior written consent of the MUSC Board of Trustees.

**SECTION 44‑7‑3200.** UMA agreements subject to review and approval; agreements must not conflict.

All agreements between University Medical Associates and any of its servants, agents, and subsidiaries and partners are subject to review and approval by the Board of Trustees of the Medical University of South Carolina and the terms of any such agreements shall not conflict with the terms and conditions of the lease authorized by this section.

**SECTION 44‑7‑3210.** Co‑payment for members of the General Assembly.

Notwithstanding any other provision of law to the contrary, including any provision of the Annual General Appropriations Act for FY 1996‑97, members of the General Assembly must pay any co‑payment or deductible as may be applicable for receiving services at a hospital facility in this State whether or not their services are provided by the MUSC hospital or its successor in interest.

**SECTION 44‑7‑3220.** Indigent patient services.

Notwithstanding any other provision of law to the contrary, upon approval of the proposed sale or lease of MUSC’s facilities and assets, MUSC must maintain the current level of services currently offered to indigent patients at Charleston Memorial Hospital unless the MUSC Board of Trustees approves otherwise.

**SECTION 44‑7‑3230.** Guarantee of financial obligations.

Notwithstanding any other provision of law to the contrary, any financial obligation under the agreements entered into by a subsidiary corporation must be unconditionally guaranteed by the ultimate parent corporation of the purchaser/tenant.

ARTICLE 27.

HOSPITAL PATIENT SAFETY ACT

**SECTION 44‑7‑3410.** Citation of article.

This article may be cited as the “Lewis Blackman Hospital Patient Safety Act”.

**SECTION 44‑7‑3420.** Definitions.

For purposes of this article:

(1) “Clinical staff” means persons who work in a hospital whose duties include the personal care or medical treatment of patients. “Clinical staff” includes, but is not limited to, credentialed physicians, physicians’ assistants, nurses, nursing aides, medical technicians, therapists, and other individuals involved in the personal care or medical treatment of patients.

(2) “Clinical trainees” means persons who are receiving health care professional training in a hospital, either paid or unpaid, students or licensed professionals, whose training includes the personal care or medical treatment of patients. “Clinical trainees” includes, but is not limited to, resident physicians, medical students, nursing students, and other students and individuals in health care professional training in a hospital.

(3) “Credentialed caregiver” means a nurse practitioner or physician’s assistant who is licensed to care for patients within his or her scope of practice.

(4) “Credentialed physician” means a licensed physician who has completed his or her postgraduate medical training who has medical staff privileges at a hospital.

(5) “Attending physician” means a licensed physician who has completed his or her postgraduate medical training and who has medical staff privileges at a hospital and who has primary responsibility for a patient’s care while the patient is in the hospital.

(6) “Designee” means a credentialed physician or a credentialed caregiver whom a patient’s attending physician has designated to care for the patient in the absence of the attending physician.

(7) “Medical student” means an individual enrolled in a program culminating in a degree in medicine.

(8) “Patient” means an individual who is being treated by a physician in a hospital and includes a patient’s representative or an individual allowed by law to make health care decisions for a patient who is a minor or who is unable to consent to health care treatment for himself or herself, or both.

(9) “Resident physician” means an individual who is participating in any graduate medical education program and whose relationship to the patient is under the auspices of the medical education program.

(10) “Intern” means an individual who is an advanced student or graduate in medicine gaining supervised practical experience.

**SECTION 44‑7‑3430.** Identification badges.

All clinical staff, clinical trainees, medical students, interns, and resident physicians of a hospital shall wear badges clearly stating their names, using at a minimum either first or last names with appropriate initials, their departments, and their job or trainee titles. All clinical trainees, medical students, interns, and resident physicians must be explicitly identified as such on their badges. This information must be clearly visible and must be stated in terms or abbreviations reasonably understandable to the average person, as recognized by the Department of Health and Environmental Control.

**SECTION 44‑7‑3440.** Written information to be provided to patient.

Except in emergency admissions, a hospital shall provide to each patient prior to, or at the time of the patient’s admission to the hospital for inpatient care or outpatient surgery, written information describing the general role of clinical trainees, medical students, interns, and resident physicians in patient care. The written information must also notify the patient that the attending physician is the person responsible for the patient’s care while the patient is in the hospital and that the patient’s attending physician may change during the patient’s hospitalization depending on the type of care or services required for the patient. The written information must also contain the information described in Section 44‑7‑3450. The written material must also state generally whether medical students, interns, or resident physicians may be participating in a patient’s care, may be making treatment decisions for the patient, or may be participating in or performing, in whole or in part, any surgery on the patient. This document must be separate from the general consent for treatment.

**SECTION 44‑7‑3450.** Right of patient to contact attending physician; nurse’s duty to assist; mechanism for resolution of patient’s personal medical care concerns.

(A) If at any time a patient requests that a nurse call his or her attending physician regarding the patient’s personal medical care, the nurse shall place a call to the attending physician or his or her designee to inform him or her of the patient’s concern. If the patient is able to communicate with and desires to call his or her attending physician or designee, upon the patient’s request, the nurse must provide the patient with the telephone number and assist the patient in placing the call. A nurse or other clinical staff to whom such a request is made or who receives multiple requests may notify his or her immediate supervisor for assistance.

(B) Each hospital must provide a mechanism, available at all times, through which a patient may access prompt assistance for the resolution of the patient’s personal medical care concerns.

For purposes of this section, “mechanism” means a telephone number, beeper number, or other means of allowing a patient to independently access the patient assistance system and must not be construed as requiring a patient to request information or assistance in order to access the system; however, a clinical staff member or clinical trainee must promptly access the system on behalf of a patient if a patient requests such assistance. A description of this mechanism and the method for accessing it must be included in the written material described in Section 44‑7‑3440.

(C) The hospital must establish procedures for the implementation of the mechanism, providing for initiation of contact with administrative or supervisory clinical staff who shall promptly assess, or cause to be assessed, the urgent patient care concern and cause the patient care concern to be addressed.

**SECTION 44‑7‑3455.** Mental and specialized alcohol or drug abuse treatment hospitals exemption.

The provisions of this article do not apply to hospitals owned or operated by the Department of Mental Health or by specialized hospitals licensed exclusively for treatment of alcohol or drug abuse and which are under contract with the Department of Alcohol and Other Drug Abuse Services.

**SECTION 44‑7‑3460.** Administration and enforcement of article.

The Department of Health and Environmental Control shall administer and enforce the provisions of this article in accordance with procedures and penalties provided in law and regulation.

**SECTION 44‑7‑3470.** Civil cause of action; other claim.

This article does not create a civil cause of action; however, this article must not be construed to preclude a claim that may have otherwise been asserted under common law or any other provision of law.